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ABSTRACT

The Association of School Business Officials International compiled the 12 best articles on site-based management from its journal "School Business Affairs." The first section covers budgeting: "School-Site Budgeting," David S. Honeyman and Richard Jensen; "Involving the Principal in the Budget Making Process," Leonard L. Gregory and Roger R. Farr; "School-Based Management: Staffing and Budget Expenditures," Jerry J. Herman; "Teachers Tackle Budgeting: Site-Based Budgeting at Work," Sally Ann Cardilli, Renee Levy Serling, and Sandra L. Graczyk. The second section covers the role of school business officials: "Business Officials and School-Based Management: Roles, Opportunities and Challenges," Jerry J. Herman and Janice L. Herman; "Site-Based Management: Crisis or Opportunity," Clement H. Lausberg; "From Power to Persuasion: The Business Official's Role in Site-Based Decision-Making," Richard A. Griffin and Bill Phipps. The third section includes various articles: "Site-Based Management: Implications for Risk Management?" Dennis R. Dunklee; "Who Will Fix the Roof? Site-Based Maintenance Programs," Glen I. Earthman; "Denver Negotiates Reform: The Power of Collaborative Decision-Making," The Center for Quality Schools; "Implications of School-Based Management for School Finance: An International Survey," Stephen B. Lawton; and "Site-Based Management Goes Beyond Budgeting," Harvey B. Polansky. (JPT)

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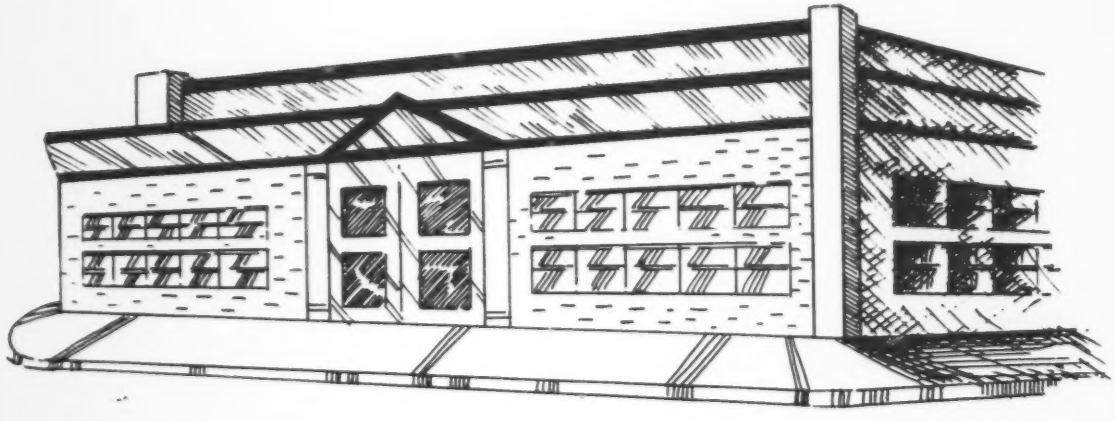
Site-Based Management and the School Business Administrator

A Compilation of Articles from *School Business Affairs*



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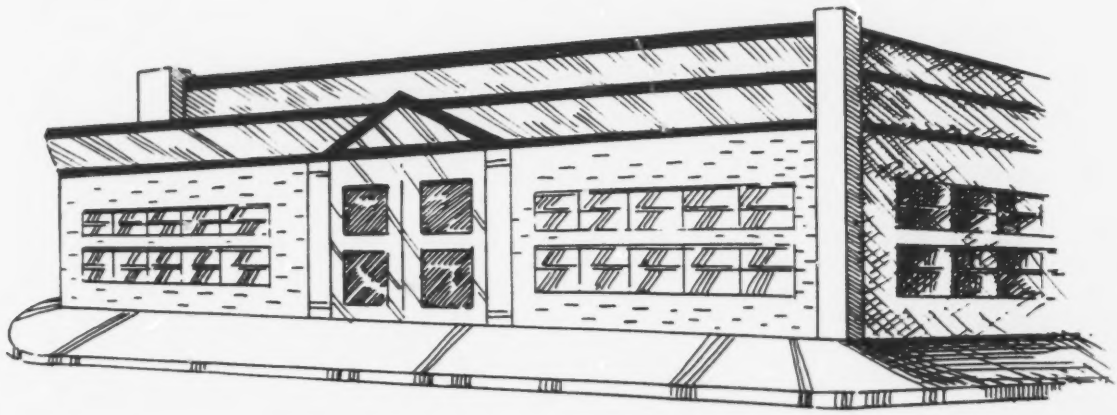

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FORWARD

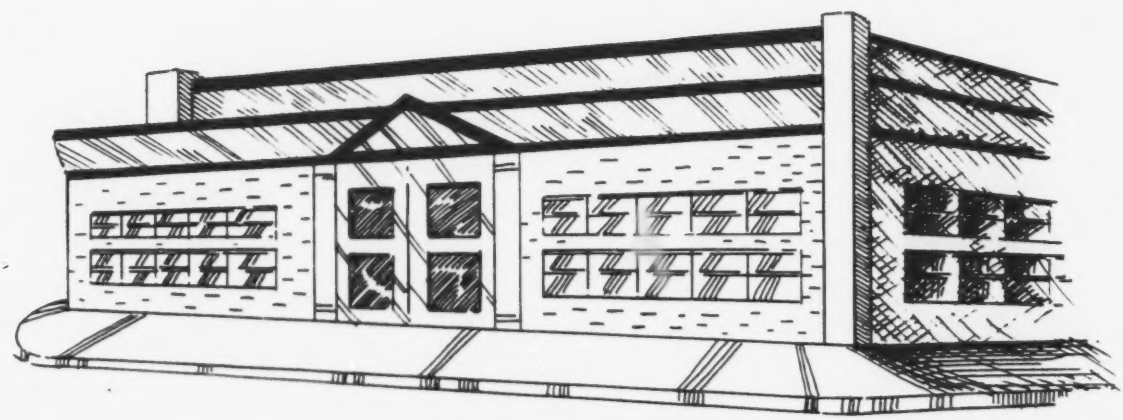
Site-based management has become a fixture in the current debate about the reform of public education in the United States and Canada. Allowing decisions to be made as close to the classroom as possible is considered a powerful strategy for improving the delivery of educational services.

Site-based management can alter the decision-making process in the areas of curriculum, personnel, budgeting and other administrative matters. For the school business administrator, an ambitious site-based management program may demand that he or she adopt a dramatically different role within the school district. Anticipating what that role will be and learning the new skills necessary for succeeding in that role are crucial to an administrator's career.

To help school business administrators prepare for the changes brought by site-based management, the editors of *School Business Affairs*, the monthly journal of the Association of School Business Officials International, have compiled the best site-based management articles that have appeared in the journal in recent years. The collection ranges from an overview of site-based management to detailed strategies for making it work.

It is ASBO's hope that bringing these articles together in one place will provide students and practitioners with a valuable, easy-to-use resource that will contribute to the success of education reform efforts everywhere.

Budgeting

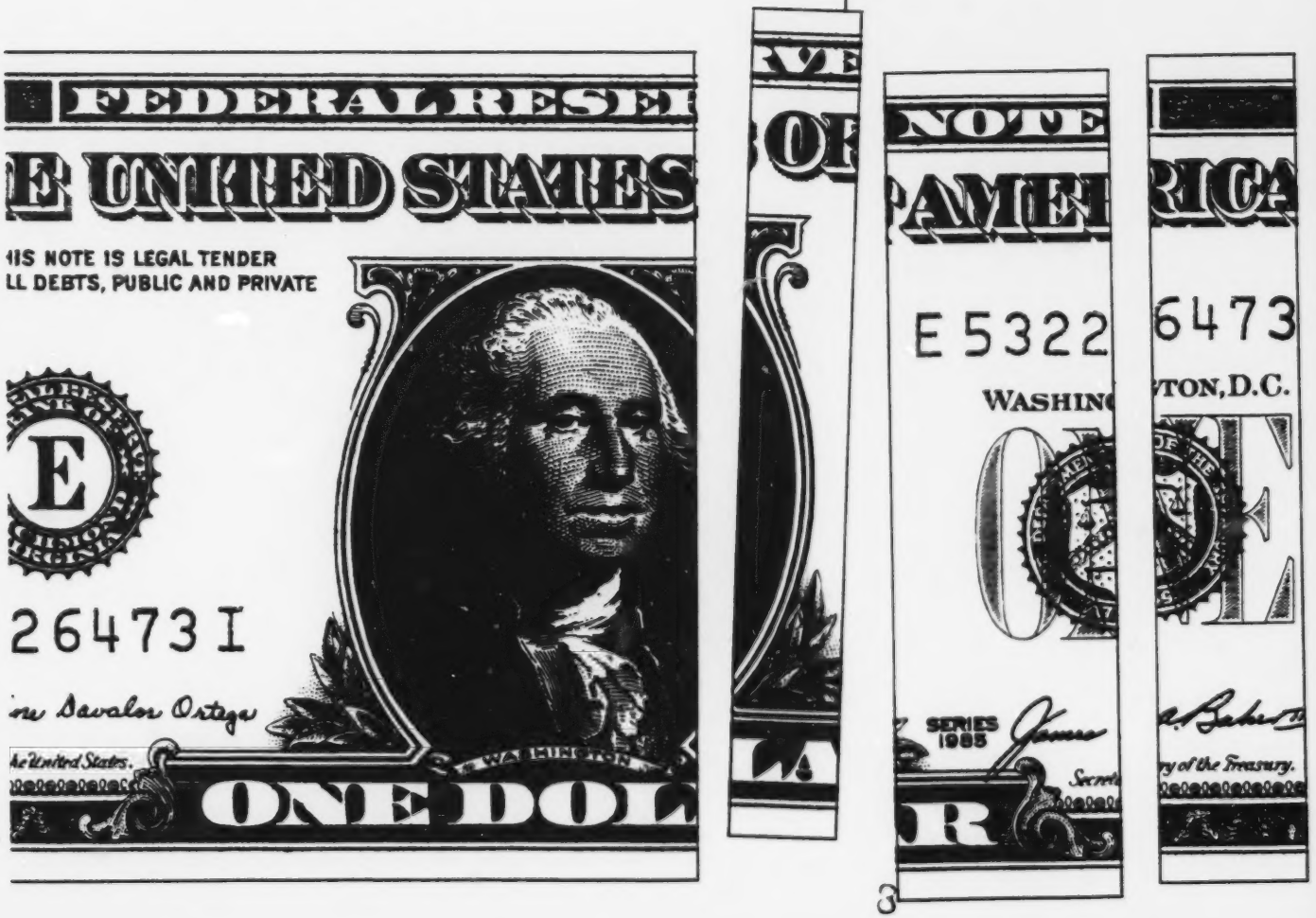


SCHOOL-SITE BUDGETING

By Dr. David S. Honeyman and Rich Jensen

Central office, district-wide budgeting has been the most prevalent form of budgeting for many reasons; better training in management, staffing and tradition. However, in trying to be more responsive to student and community needs, some school districts are incorporating school-site budgeting.

Decentralization of the budget has many advantages. For example, decentralization allows most educational decisions to be made at the individual schools, increases participation of parents and utilizes the managerial skills of the building principal in preparing and administering building-level budgets.[1] However, the added authority a building-level principal inherits with decentralization also increases individual responsibilities and demands on time.



Administrators must ask themselves several questions. Are the managerial advantages of centralized budgeting outweighed by the increased input of the individual building? Has the centralized system led to a decrease in efficiency? How can we measure resulting inequalities in the school operations which may result from site management?

According to theorists and researchers, these answers are clear. The use of centralized budgeting increased as administrative personnel realized the need for a relationship between instructional goals and fiscal planning.[2] The school superintendent gradually assumed the responsibility for building the budget and presenting it to the school board for approval.[3] As the formal methods for financing schools evolved, the centralized budget became the common practice. All buildings in the district were treated the same, as one unit. Allocations to individual schools were typically made by using a formula, such as dollars per pupil in attendance, with little attention to individual programs.[4] Many factors contributed to the popularity of centralized budgeting. The main issues centered on the belief that budgets were best managed by centralization, the growth of executive authority which resulted from increased centralization and the ability of centralized funding plans to provide the best workable method for allocating resources during times of growth.[5]

As public education continues to face the problems of declining enrollments, reductions in funding and questionable support of public schools, the use of decentralized budgeting is being considered by an increasing number of school districts. To achieve increased public support for the financial dealings of the school there must be more public involvement at the level where parents have the closest ties—the building.[6] In general, if communities are satisfied with the job being done in "their" building, local teachers and building-level administrators should have more of a say in budgeting.[7]

In moving from a centralized budget to a site budget, the school board and central office develop a total district-wide operating budget.[8] This total operating budget, including salaries, fringe benefits, operating costs, etc., would be allocated to each building by formula, including allocations to cover mandated programs for that building.[9] The detailed budgeting process would take place at the building level. The principal and a select committee would then determine the amounts to be spent for certified and noncertified personnel, supplies, equipment, facilities operation and maintenance based on the committee's perception of the needs of the individual school. There could be many local variations. The central office could continue to operate the maintenance function but would charge-back to the school for services provided. This would help keep facilities operation and maintenance constant throughout the district.

Decentralizing the district budget would allow for participation by parents, teachers, students and principals in decision making at each individual school. The issues and problems under consideration by each school would then be resolved by that local school. School-site budgeting puts the burden of responsibility directly on the local school.

In planning school expenditures, decisions should be made by those closest to the student.[10] Funding for individual schools in the district will then be portioned based on their students' levels and needs. To promote equality, students in greater need will receive more to make up for their inadequacies. While certain operating costs would be set aside and remain under control of the central office, most funds would go directly to the individual schools.[11]

In selecting committee members that will determine budget and budget expenditures, the administration must ensure those members can make responsible decisions. Most districts implementing school-site budgeting form a school advisory council which represents both teachers and parents.[12] Those schools with community and staff involvement would improve not only the budget/spending process but the school's instructional environment as well.[13] But this would come about only if the committee was composed of individuals who had a broad perspective of the school's total program and avoided individual concerns about an individual course or program. The school would gain more pride of ownership with involved staff and community.

The principal's responsibility and demands on his or her time are

greatly increased when districts shift more control of the schools' budget to the school site. When budgets are given to the school sites, there are three means of delegating control the principal could employ.

- The principal could have complete autonomy and accountability for the building budget. The principal would then be the authority in budget development, program planning, allocation of resources and control of expenditures. This would leave the principal little time for the many other areas of the job: curriculum, evaluation, discipline and leadership.
- The principal could share the power with a small group of administrators and department heads. This would reduce the burden of responsibility and time on the principal, while maintaining his or her position as head of the committee.
- A third strategy for sharing budget responsibility might be to form a representative finance committee.[14] This committee would shift the burden of time from the principal to the staff and at the same time allow for the staff to gain ownership of the budgeting process.

Teachers would need to put in extra time and planning to make decentralization work correctly—especially, if the district were to use zero-based budgeting and the staff would have to justify and defend every item in the budget for the coming years. Often the teachers would not want to spend the extra time it would take to decentralize. Without this teacher commitment, decentralizing would never work.[15]

There are several assumptions being made about the idea of decentralizing budget.

First, great improvement in educational productivity will result by providing more parent, student, teacher and principal control. Using in-depth interviews and questionnaires, a researcher reported that 100 percent of the responding school principals in Los Angeles felt that the professional expertise and competence of the administrators made them the major decision makers in decentralization, while most of the schools sampled interpreted advisory councils to mean community control.[16] This battle for leadership control of the budget process cannot improve the educational productivity.

The second assumption is that there is a surplus of building-level experts and experience just waiting to be utilized. Principals would be required to make many financial decisions for which many would be inadequately schooled.[17] Principals would be required to spend additional time away from their leadership roles in curriculum, evaluation and discipline. Teacher commitment would have to be high in order for the decentralization to work effectively. Each individual teacher would have to prepare a budget for his or her program. This would be an advantage in planning, but without teacher commitment to spend the additional hours, this form of site budgeting would never work.

Third, it is assumed that the building level provides a perfect setting in which parent, teacher and principal can work toward structuring the local building budget without digressing from the instructional needs of the students. The advisory groups or committees would have to focus on the task at hand. Often, when parents have principals' and teachers' attention, they view this time as a chance to air their complaints or champion their causes.

The implementation of school-site budgeting can benefit many aspects of school operation. However, the several shortcomings inherent in the process of developing such budgets can detract from other building-level responsibilities. Each school district must evaluate the benefits which can result from school-site management in light of the potential problems before implementing a school-site budgeting plan.❑

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Involving the Principal in the Budget Making Process

How the building principal should be involved in the development of the school budget has been a topic of controversy for some years. When discussing this subject, most sources describe the controversy as one centralized vs. decentralized management. The role of the building principal in budget development has increased with the trend of larger school systems toward decentralization and school-centered management. As a result, the role of the building principal in budget development is still evolving.

It follows then that the degree of autonomy that a school principal has with respect to the final operation of the school will vary with the kind of budgetary system in place. In some school systems, virtually all financial decisions are made in the central office by the business manager. In other systems, the principal has a wide degree of latitude in constructing a budget and in the expenditure of funds for personnel, operations and capital outlay. Principals must know what expectations superordinates have with respect to financial decision making in the building level.[1]

In many school districts, the budget-making process evolved from a relatively simple process of a board clerk or secretary setting forth expenditures according to the state's budget forms. In other school systems, the board entrusted the primary responsibility for budget preparation to the business manager. These procedures tend to keep the budgetary decision making process primarily in the hands of the school board of trustees. As a consequence, the budget became a listing of such expenses as salaries, instruction supplies and equipment without regard to the school's basic functions.

Over time, traditional budget-making procedures have gone from the specific object categories to categories using a broader function approach. Sequentially then, school-by-school budgeting was a natural evolution. This change in budget-

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ing format allowed school principals to have a clearer picture of the various accounts available for school programs.[2] This method was basically structured as a device to facilitate fiscal accounting but the implications for building principals were equally important.

In traditional budget-making processes, principals are not involved to the extent many authorities think an education leader should be. Research indicates that in recent years real principal involvement is on the increase but will not be at an optimum level until newer approaches are implemented more fully. The trend toward a somewhat decentralized, participative style of educational management is supported by research which shows that good schools tend to have principals who are effective as managers and are also instructional leaders.[3] This fact has resulted in many larger school systems going to a more decentralized form of budget management.

Regardless of the type of budget principals might become involved with, (PPBES, Zero Based or MBO), they should carefully assess staff needs before formulating any budget. Their roles are becoming more significant, and they should be prepared to respond to the difficult question: "What are your budget needs for the coming year?"[4]

From the principal's point of view, the principal should have the greatest possible authority to decide his or her portion of a school district budget. Many principals feel that no one is as close to the instructional program as the principal. So, principals are in the best position to decide how the available money is allocated within their areas of influence.[5]

The purpose of this article is to clarify the need for increased responsibility of the building principal in budget planning. Too often decisions are made by those who are too distant from the students and the problems within the building.

The Role in Budget Developments

No matter what type of budgetary system is used, the principal has a major role to play in the fiscal management of the school. The principal has to lead a staff to creative, far-sighted budget development, even causing a staff simply to engage in sensible spending practices after the fact.[6] These characteristics require well-honed human relations skills, an intimate knowledge of curricular needs, skill in systematic planning, a good understanding of the fiscal realities of the school district and a good acquaintance with proper accounting procedures.

The building principal must be well-rounded in administrative skills. A sound knowledge of financing systems is necessary in order to function in the capacities required by the job. The building principal is required to carry out the policies of the central office and establish the specific procedures to be used in the fiscal operation of the building.

Budget development is closely tied to managing the business side of a building. This fiscal management extends from simple record keeping of modest amounts of activity money, to the complexities of program planning budget procedures, depending upon the size of the school system and the degree of budgetary and financial-decision autonomy accorded individual principals. It is a changing world and the movement toward more decentralization in large school systems has increased fiscal decision making autonomy and responsibility for many principals.[7]

Budgeting Systems

There are many different kinds of budget systems and all have an effect on the budgetary duties and responsibilities of the principal. Most budgetary systems are not used in their purest form and often retain shades of other plans. Thus it is important for the building principal to know what responsibilities are expected both from the district and building level.

Even though budgets are often mixtures, budget-planning systems do share some common characteristics. The basic concepts of good budgeting contains four steps: (1) planning and allocation of all costs; (2) adoption; (3) administration and coordination; and (4) review and appraisal. All budget processes are cyclical and continous, beginning with an examination of the goals and objectives of the educational program and to some extent involving staff participation in the formative stages.[8] The different budget systems reflect on the principal's involvement. Several kinds are discussed to show this relationship.

Traditional Budgeting—In traditional budget-making processes, the budget is typically built through the following steps:

- Teachers are asked to submit a list of items needed for the next school year on a prescribed form.
- The principal reviews these lists for duplication and questions teachers for clarification.
- The principal submits a budget to the superintendent based on teacher request plus his or her own request.
- The superintendent consolidates all requests and submits a budget to the board of education. These budgets tend to be detailed and involved.[9]

In this type of budget most administrators make at least a modest effort to involve instructional staff in the budget building process, but often this becomes simply a matter of asking the staff for their ideas about needed equipment or supplies. These responses are often uninspired, mundane and shortsighted.[10]

By Leonard L. Gregory
and Roger R. Farr

Systematic Budgeting—If budget building is to be anything more than a means of classifying outgo, it must consider the future.[11] The administrator must ask the right question: instead of "What do you need now?" it should be "Where do you see this school or department heading in the next few years, and what will it take to get there?" Since staff involvement in decision making is the most effective means for bringing about real change, the effort to involve staff in curricular study and change must extend to budget development. This approach to budgeting is called the systematic approach to budget building.

This plan is built first around long-range planning and then how the yearly budget will fit into that plan. The following steps are considered the heart of this system:

- Build a five-year plan. It should contain: (a) a brief description of the ideal state of discipline; (b) a statement of goals, objectives and indicators of achievement of objectives; (c) a list of processes that will implement the objectives; (d) a list of equipment, materials, personnel and other resources needed to support the process.
- Develop a one-year plan. Have the staff spell out what is to happen this year in relation to the five-year plan.
- Set a timetable.
- Submit budget and curriculum proposals to the principal for approval or return for clarification or modification. The total school budget in summary form is submitted to the central office for negotiations and approval of the school budget in some form by the ultimate fiscal authority in the school district.

One of the big advantages of this system is involvement of the instructional staff in budget building. Staff involvement does not make the administrator's job any easier, but it does supply a principal with much of the data needed to justify increases in the budget to the superintendent or the board of education. The advantage for the central office is that the board becomes better informed about expenditures and the reasons behind them.

In school systems where this approach was used, the outcome has been very positive. The staff's concern for the future and continuous assessment of current curricular and instructional practices are examples of future-oriented budgeting. The result has been better budgeting and more effective use of materials and equipment, well-planned curriculum changes based on attention to long-range goals, continuous evaluation of all aspects of the curriculum and a better teaching and learning climate.

Program Planning Budgeting—PPBS is not as common today as in the 1970s but it is the basis for many systems still being used. In its simplest form, PPBS involves five steps:

- Establishing the general goals to be achieved.
- Identifying the specific objectives that define this goal.
- Developing the program and processes that are expected to achieve the objectives and goals.
- Establishing the formative and summative evaluation practices.
- A review and recycle procedure that indicates the degree to which the program and processes resulted in the achievement of the objectives and goals.

PPBS requires more information gathering, reporting and analysis than does the conventional process of budget construction. Thus, more sharing of views are likely to accrue, providing greater possibilities for joint and more broad-based decision making. PPBS also tends to raise people's hopes of budget expectations. An important conclusion of a study in *The Elementary Principal's Handbook*, by Larry Hughes and Gerald Ubben, was that, although other experimental research must be conducted to confirm or request their findings, budgets prepared using the planned program budgeting system were superior to those using the traditional approach.[12]

Selling the Budget

Regardless of the type of budget principals might become involved with, staff needs must be assessed, expert consultation solicited, suggestions invited from all concerned sources and the budget promoted at each stage of its acceptance. These techniques of budget development apply in many types of situations but they seem important in all types of budgetary systems.

The day of the "do-it-yourself" assessment of budgetary needs is quickly coming to a close. Building administrators cannot afford to rely on their own evaluations as increasingly complex needs require consultation of assorted experts in budget planning. Technical elements concerning the physical plant or structure can best be appraised by engineering experts. Certain matters concerning operational or secretarial personnel may require the aid of a supervisor skilled in interpreting current collective bargaining agreements or work measurement. Subject matter supervisory specialists can provide professional assistance in evaluating needs, planning problem solutions or appraising current instructional programs. Central district headquarters staff will provide overall budget planning assistance as required. All these persons can aid a building leader in developing and assembling a budget plan.[13]

No budget is well-rounded if it does not invite suggestions from all who are involved with the school. A school is part of the total community and as such should invite budgetary planning suggestions from the entire building community: parents, teachers, students, staff members, instructional and technical specialists and the neighborhood. Teachers must be told of their budgetary limits and guided by the principal in making the best choice within budgetary capabilities. The building leader must weigh the suggestions from all sources and based on this information make decisions which will incorporate, to the largest degree possible, the most appropriate budgetary responses.

All of these techniques are important but perhaps the most important part of budget acceptance comes with being able to sell it to the superiors. A school administrator must be able to sell budget needs to someone at the next

higher level of administrative review who will apply a wider perspective in reviewing the building leader's plans. This person must in turn resell the need to another reviewer, typically a superintendent of schools. The superintendent next presents the items to a governing body of lay persons. Ultimately, that group will be required to offer the school budget package to the public and their lay governmental review boards. So the sales campaign which starts in a school building finally terminates with a remote body of consumer representatives.[14]

Conclusion

The principal has a very important involvement in the development of a school district budget regardless of the type of budgeting system implemented. The principal's role in budgeting is evolving into more responsibility as larger school systems turn toward decentralized budgeting in an attempt to bring the planning of educational programs closer to budgeting process. As one principal said, "Who knows better than the building principal what is needed for educational programs in the building?" Most principals welcome more control over the programs they plan because programs are often diminished because of money. The building principal is that important link in most cases between program and the central office. There may be value in selling the budget each step of the way on its march to final approval but it is much easier to sell a program which the building principal believes is the best allocation of resources.❑

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School-Based Management
Staffing and Budget Expenditures

By Dr. Jerry J. Herman

School-based or site-based management is a popular concept that is currently being implemented by school districts. However, these school districts do so without first determining the rules and methodologies necessary to enhance the chances for success when changing from traditional "top-down" to "bottom-up" management. The two most important areas in which decision-level power must be made absolutely clear are those related to staffing and to budget expenditures.

Once policies or standard operating procedures (SOPs) are determined or negotiated related to staffing and budgetary expenditures, it is possible to maximize the freedom of decision making for the principal and the local building decision makers.

The remainder of this discussion will outline the methods of accomplishing the goal of maximizing school-based decision making in the two important areas of staffing and expenditures.

These methods were successfully utilized over the author's 20 years as a superintendent of schools. The methods outlined below were negotiated and consensus was reached by all the building-level and central-level administrators. Personnel hiring and placement provide an example.

Personnel Hiring

Most people know the saying that an army lives by its stomach. The corollary for school districts is that a school district lives by the quality of its teachers. Let's begin, then, with a discussion of the method of maximizing the decision making power of the building principal and the site-level stakeholders as it relates to the important people area — hiring teachers and other school employees.

The method for allowing maximum flexibility at the building level for employee decisions utilizes a ratio system based upon the average cost of a single teacher's salary and the teacher's fringe benefits costs.

This ratio becomes the basis upon which ratios are built for all other categories of employees. Once these decisions are made, each building is allocated a specific number of employee teacher equivalents per 1,000 students. Of course, the ratios should periodically be modified.

In the case related below, which is based on actual school districts where the author served as a superintendent of schools, consensus was reached that the custodial staff was to be determined centrally by three factors. These were: the age of building, whether the building was carpeted, and the square footage of the building. A similar decision was made related to food service personnel on the basis of upon the number of student meals served. Finally, transportation and maintenance personnel were decided centrally on an "as needed" basis.

Other than the above personnel, the formula used for the local school building level allowed for secretaries, clerks, teachers, teacher aides, assistant principals and athletic or cocurricular directors, and principals. A consensus variance was decided upon for the assignment of assistant principals and principals on the basis of elementary, middle school or junior high, and senior high levels. The variance was based on a discussion of the number of people supervised, the amount of student co-curricular, after-normal-school-hours activities, and the value of the supplies and equipment for which the principal bore ultimate responsibility.

All of the above decisions related to establishing the format for building-level decision making should be negotiated by all parties directly affected by, and responsible for, the decisions.

The ratio system outlined utilizes the teacher as the base upon which to build all other ratios. The teacher ratio is set at 1.0, and all others are set on a plus or minus 1.0, depending on the anticipated cost of salary and fringe benefits for that position. Although the dollar outlays are not exact for each category, on the average this method allows a very predictable

budgetary outlay system for personnel staffing.

The example used is one of a high school building with 2,000 students—this is the approximately real size of most high schools (Figure 1).

Once the ratios were decided upon, the ratios per 1,000 students were determined. In most cases, the ratio for a high school was between 60 to 70 employees per 1,000 students. In our high school example, we will use the ratio of 70 per 1,000 students (excluding special education classes, which were decided on an "as needed" basis). Using these ratios, then, a principal and the local school-based decision makers could arrive at a staffing number and employee distribution for the subsequent year similar to that below (Figure 2).

Building-Level Budget Expenditures

Operating budget agreements can be reached among the district-level and building-level decision makers. At Excellent High School, it was decided that there would be an allocation of $100 per pupil. It was also decided that the district-level's budget would fund any major remodeling, any equipment-related to custodial or food service operations, and any district-wide textbook adoption. In addition to the normal allocation, a principal could request the district's assistance for the purchase of very costly pieces of instruction-related equipment, such as state-of-the-art computers.

In our example, Excellent High School would receive an allocation of $200,000 ($100 x 2,000 students). In addition, $15,000 was allocated because of the trade off of 0.60 teacher equivalencies for $2,500 for each 0.10 teacher equivalency. This provided the building decision makers with a total of $215,000 with which to purchase all the instructional, co-curricular and management supplies and equipment they desired for the subsequent year.

It is important to remember that accountability accompanies such decision-making power. This was built into the system by allowing any unspent funds to be added to the subsequent year's allocation.

Final Words

If a school district's decision makers are contemplating moving into school-based management, there are four crucial tasks that must be accomplished. First, a clear definition of what is meant by school-based management must be decided upon. Second, a decision has to be made as to which building-level stakeholders will have official decision-making power, and which stakeholders will have advisory status. Third, methodologies must develop to implement the decision making related to staffing and the operating budget. Last, the initial attempts at the process of school-based management may need to be modified, and this will occur over a lengthy time period.

This discussion has focused on the second and third tasks as critical decision-making areas related to the implementation of school-based budgeting.❑

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FIGURE 1
The Ratio Decisions

	MONTHS			
EMPLOYEE CATEGORY	***9***	***10***	***11***	***12***
Teacher	1.0	1.1	1.2	1.3
Assistant Principal	1.4	1.5	1.6	1.7
Athletic Director	1.3	1.4	1.5	1.6
Principal (high school)	1.7	1.8	1.9	2.0
Secretary	0.6	0.7	0.8	0.9
Clerk	0.5	0.6	0.7	0.8
Teacher Aide-Advanced Level	0.6	0.7	0.8	0.9
Teacher Aide	0.5	0.6	0.7	0.8

Note: The building-level decision makers had the option to enrich their equipment and supply allocation by receiving $2,500 for each one-tenth (1/10th) employee ratio they wished to trade off for operating funds.

FIGURE 2
Excellent High School's Allocation

140 employees for the student body of 2,000 pupils

Decisions		
120 Teacher equivalents*	120.00	
1 Principal (12 mo.)	2.00	
1 Asst. Principal (12 mo.)	1.70	
2 Asst. Principals (11 mo.)	3.20	
4 Secretaries (12 mo.)	3.60	
4 Clerks (9 mo.)	2.00	
2 Advanced Teacher Aides (10 mo.)	1.90	
10 Teacher Aides (9 mo.)	5.00	
Trade off for operation funds	0.60	($15,000)
Total Equivalencies	***140.00***	

Teachers Tackle Budgeting
Site-Based Budgeting at Work

By Sally Ann Cardilli, Renee Levy Serling, and Dr. Sandra L. Graczyk

In developing school district budgets, central office administrators have often controlled the allocation of monies and ultimately the district's educational priorities. Teachers, whose job it is to deliver instructional services, have had minimal knowledge and input into the process of developing a school district budget. In the Rochester City School District, tradition is being replaced by a practical necessity — reform.

The Rochester City School District

The City of Rochester, with a population of 229,000, is located in upstate New York between Syracuse and Buffalo. Because it is the home of such companies as Eastman Kodak, Xerox, Hickey Freeman, Bausch and Lomb, Wegman's Supermarkets, and Champion Knitwear Products, the city has enjoyed financial stability. Furthermore, these corporations have always recognized the need to make serious educational and financial investments in the community.

The Rochester City School District is composed of 30,000 students, distributed among 36 elementary schools, 6 middle schools, and 8 high schools. The district is staffed by 2,600 teachers. The school system must overcome many obstacles common to urban centers to deliver quality education — students living in poverty, children coming from unstable family situations, and young people with handicapping conditions.

Reform Movement

In an effort to meet the needs of its diverse socioeconomic and cultural population, the Rochester City School District, the Rochester Teachers' Association, and Rochester's businesses and civic organizations have worked together to effect major educational policy changes to produce a nationally known school reform movement. Elementary, middle, and high schools have been restructured, central office administrative positions have been reorganized, and school-based planning committees are determining school policies. In order to attract and retain dedicated professionals, salaries have been substantially increased to compete with local suburban school districts.

As a result of this reform movement, the budget process is also in transition. Historically, the fiscal needs of the Rochester City School District have been budgeted using a centralized model — a per pupil dollar amount was given to principals whose fiscal decision making was limited to expenditures for supplies, materials, textbooks, equipment, and contractual items. Although the budget is still centralized, the focus of power is shifting to individual buildings.

The move toward site-based budgeting offers schools an opportunity to allocate resources in a way that best supports their approach to achieving district standards and implementing their school's improvement plans. Decentralization also helps combat inequity among the district's diverse constituents who have special needs. In order to meet these special needs, the City School District believes that the appropriation of materials and services should be determined at the site level rather than at the central office level.

The Site-Based Budgeting Process

The site-based budgeting process was approved by the Rochester Board of Education in 1990. The school board's policy for site-based implementation has the following criteria:

- The school budget must support the school's individual improvement plan, which enumerates the building's goals and objectives.
- The School-Based Planning Team must agree to participate in developing and approving the recommended budget. School-Based Planning Teams are typically composed of teachers, support staff, administrators, and parents and have previously been involved in consensus decision-

making in the areas of instruction and discipline.

- The budget must support and be consistent with all laws, regulations, policies, and contractual agreements unless specific and appropriate waivers are obtained from the Central Office.
- Each member of the School-Based Planning Team must receive continuous and timely information about the process and decisions from the District's Budget Office.
- Teams must document their efforts and provide information to the school and the parent communities.

School-Based Planning Teams that were ready and willing to meet the criteria for site-based budgeting were encouraged to apply for their schools to become pilot sites. At this writing, seven school teams have participated in decentralized budget development and management.

Dollar amounts are appropriated to individual school teams based on three allocation categories: fixed, per pupil, and substitute. The dollar amounts for these categories are determined by the District Budget Office on the basis of current staffing patterns, projected revenues, and staff salaries.

With fixed allocations, the student population of the buildings is not a factor. These lump sum amounts provide adequate funds for selected items or services, such as the salaries of the school principal and the school secretary.

The per pupil allocation is based on the cost of educating specific student populations, and its total amount depends on building enrollment. The per pupil allocation amount is used for personnel costs (vice principal, classroom teachers, and paraprofessionals), supplies and equipment, and operating expenditures (rental of equipment, postage, etc.).

The funds distributed for substitute teachers are based on district-wide absenteeism averages and the number of teaching staff in the building. A school's per teacher allotment is calculated by multiplying the current per diem rate for short-term substitutes by a constant of seven, representing the average annual number of absences per teacher. The per teacher amount is then multiplied by the number of teachers in the building to determine the building's substitute dollars. Long-term substitute teachers are provided and budgeted for by the District Central Office.

There is one further source of revenue for the pilot schools. This is a one-time, lump sum allocation given to them from the District Central Office to support their involvement in this project. This revenue source must also be included in the building budget.

"Other than correcting technical inaccuracies, the Budget Office only recommends alternative expenditure patterns; it does not exercise veto power over any particular item."

Building a School Budget

The individual school building uses its total revenue dollars to build an expenditure budget as it sees fit. A particular item can be considered within the purview of building decision-making under the following conditions:

- The school has control over the expenditure;
- The expenditure has a direct bearing on the school's instructional program;
- The accounting costs do not exceed the net value of the service or item; and
- There is not a significant cost-saving advantage to maintaining District Central Office control of the service or item.

The local school community is also involved in budgeting, not only through representation on the School-Based Planning Team but also through budget hearings held even before the process begins. The purpose of these meetings is to educate the public about this new way of budgeting.

After the school budget is developed, it must be approved by the School-Based Planning Team. The District Budget Office then reviews the document for proper coding and legal use of dollars. Other than correcting technical inaccuracies, the Budget Office only recommends alternative expenditure patterns; it does not exercise veto power over any particular item.

The Site-Based Budgeting Process In Practice

This section describes the site-based budgeting process at one pilot site, an elementary school. The budgeting process began when the building principal and the School-Based Planning Team surveyed the building staff to determine program needs. The results indicated that it would be advisable to replace the pre–first grade with a full-day kindergarten, expand social work services, and retain the position of a technology aide to service the computer lab students. It should be noted that had this not been a site-based budgeting process, the technology aide position would have been eliminated in accordance with a directive from the District Central Office.

The School-Based Planning Team was then charged with the responsibility of budget development in a maximum of 13 specific areas: instructional staff; school level support staff; extracurricular activities; extracurricular pay differentials; substitutes; interscholastic sports; supplies, materials, and services; staff development; school-based planning activities; clerical and sentry overtime; equipment repair/service contracts; equipment rental; and equipment, library books, and textbooks.

Following the survey, the District Budget Office provided a full-day budget training session for the school's Planning Team. The team was given standard documentation on salaries, fixed allocations, per pupil allocations, and non-staff operating allocations. The

training session also included a list of strategies that the team could use to relate effectively and get the job done. These rules advised the team to be secure and committed, to plan and prepare, to define limits, to explain consequences, to do and redo, and to evaluate results.

To aid the team's computation of budgeted amounts for its building, the District Budget Office supplied work packets individualized for each school building, which included line-item and program narrative sheets. The School-Based Planning Team held meetings to present information about the survey and training to the school's community and staff.

The building principal then worked with a Planning Team subcommittee composed of three teachers and a parent; when necessary, they sought counsel from District Business Office staff. The building principal also established separate budget lines for school-based planning and teaching supplies. She could then use these allocations more economically and transfer funds as needed.

Advantages of Site-Based Budgeting

A major tenet of the Rochester reform movement is that students' needs are best served when those who teach and interact with them daily can determine educational practice and policy. The site-based budgeting process affords practitioners the opportunity to accomplish educational goals by managing the school's resources accordingly. For example, the principal was able to add the services of a technology aide to enhance students' computer experiences.

Taking part in the process has been an exercise in collaborative learning and goal sharing. Because teachers and parents share the responsibility for the budget in this process, they receive continuous and timely information. Thus, all expenditures are subject to review by an informed constituency. Inherent in this team effort is a sense of ownership. As a means to an end, site-based budgeting has enabled the School-Based Planning Team to meet their agreed upon objectives to enact grassroots change.

Disadvantages of Site-Based Budgeting

A less positive aspect of site-based budgeting is the time and energy needed to plan team meetings, hold community hearings, and maintain accurate ledgers and documents. Because most team members are unfamiliar with accounting procedures, regulations, and verbiage, they must take time to seek guidance from the District Budget Office.

Developing the budget and formulating other school policies require frequent and often lengthy meetings. These are usually held before and after school so that teachers can maintain regular teaching schedules and avoid disruption of student programs. To date, there are no provisions for team members to receive financial remuneration or clerical support for their efforts. These may be necessary to attract qualified teaching professionals to participate in this time-consuming decision process.

Expansion of site-based budgeting into other buildings may place additional burdens on the district's budget. A district-wide initiative of this magnitude will require additional dollars to train other School-Based Planning Teams and to hire Business Office and Budget Office personnel to consult with and support the teams. The reduction in state and local tax revenues that many public school districts in New York state are experiencing will cause budget restrictions that may hamper this kind of educational reform.

Summary

Rochester is a school district that reflects the problems inherent in cities throughout the nation — poverty, low tax base, racial imbalance, political processes, and bureaucratic procedures. However, the District has always been strongly supported by local business and the community in its goal to achieve educational excellence. The district administration is maximizing this support by encouraging parent and teacher involvement in decision making and policy development; evidence of this is the School-Based Planning Teams and their participation in decentralized budgeting. This grassroots participation will help the Rochester City School District overcome major and minor obstacles to succeed at educational reform.❑

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Notes

Rafaela O'Hara, principal of Carthage School No. 8, was interviewed regarding her school's experience as a pilot in the site-based budgeting process. Located in the inner city of Rochester, No. 8 School has an enrollment of approximately 550 students, 42 percent of whom are classified as academically disadvantaged.

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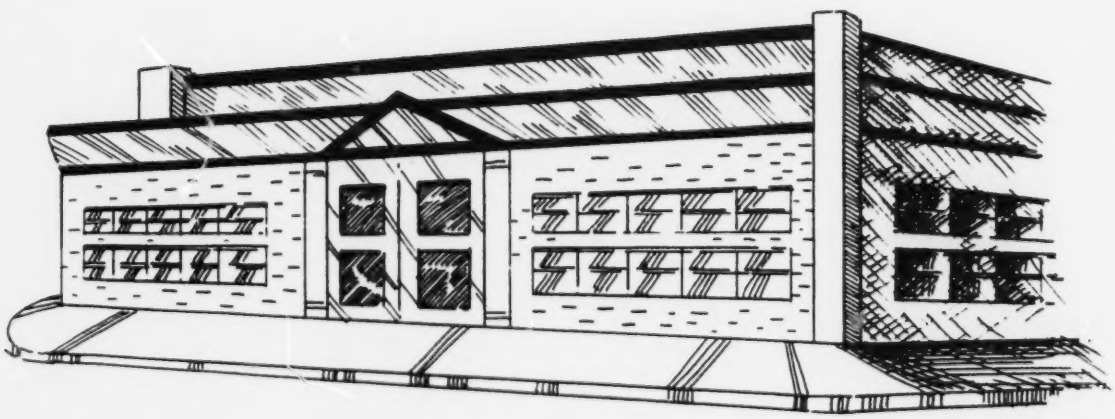
Role of
School Business Officials



Business Officials and School-Based Management

Roles, Opportunities and Challenges

By Dr. Jerry J. Herman and Dr. Janice L. Herman

School-based management is rapidly becoming the centerpiece of the current school reform movement. Districts are implementing school-based management today to empower school staff to create conditions that facil-itate improvement, innovation, and continual profes-sional growth.

Successful school-based management demands collaboration at all levels, especially between the principal and the school business official. Because school-based management typically involves budgeting and classified and certified personnel, the school business of-ficial, along with the building principal, is a key to the suc-cess of this decentralization process.

School-based management demands that the school business official change to meet new challenges and opportunities. This article discusses the new roles of the school business official.

Staff Developer/Trainer

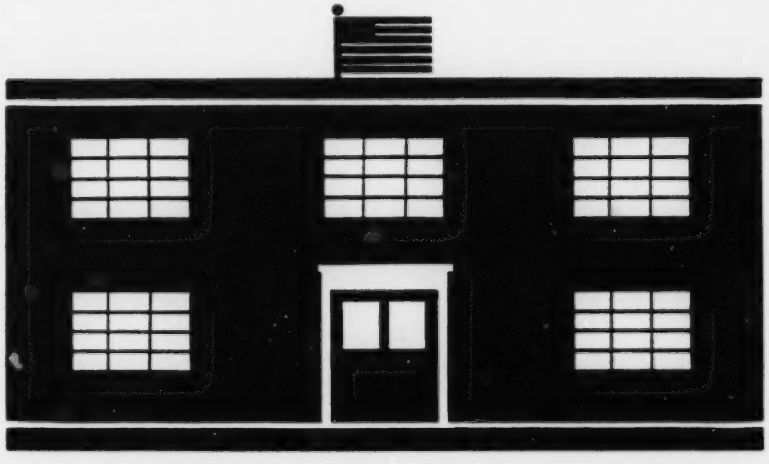
A commonly recommended implementation practice of site-based management is to begin with the budgeting process. Given the wide range of budgetary skills among principals and other school site budget managers, the school business official may need to provide an extensive introduction to decentralized budget development through hands-on training. Likewise, if the entire personnel selection process is given to the individual schools, the school business official may need to provide information on budgetary items and costs related to personnel assignment and expenditure.

Budget Interpreter

The training process described above may be initially provided at the onset of the budget development process, but will need to be continued, especially in the first implementation year. A "hotline" type of contact must be provided by the school business official and staff in order to field specific questions and concerns that will occur as the individual school sites and inexperienced principals/budget managers experience the day-to-day application of budgetary decentralization.

Broker of Support Services

One of the more controversial budgetary decentralization applications is that of the support service areas: the creation of individual school cost centers and the assignment of transportation, custodial, maintenance, and food preparation services to each cost center. These areas are also most commonly assigned to the school business official. While some common practice suggests that



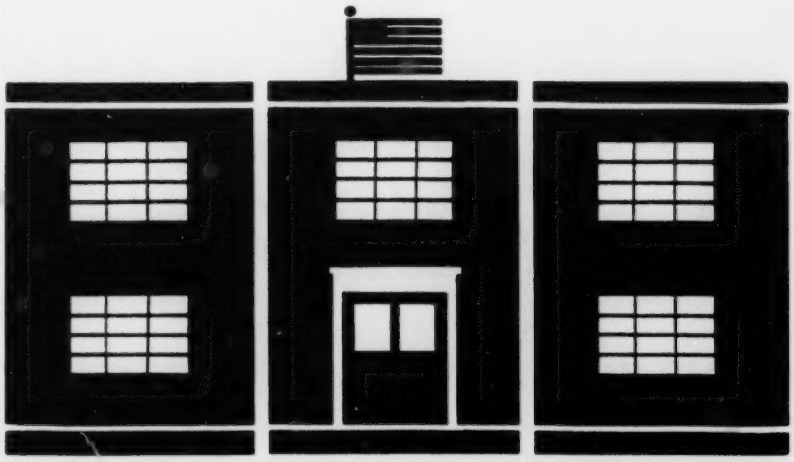
these services be maintained at the central office level, if these services are to be completely or partially decentralized, then the school business official may need to provide initial and ongoing brokerage of support services. The transition process of providing these services on an individual school basis will demand the skills of the school business official.

Negotiator for Teacher Empowerment

In districts where school-based management will involve personnel selection by the individual schools, there may need to be alternative agreements made with professional organizations and other employee unions if existing seniority and other collective negotiations contract agreements preclude flexible, site-level hiring. When school site committees perform the personnel selection process, their choice should be unencumbered by hiring restrictions and limitations. The school business official, acting as the district director of union/management relations or acting in collaboration with the personnel director, may be called upon to obtain union agreement about flexible hiring practices.

Liaison Between School Site Personnel and Central Office Personnel

If a district's implementation of school-based management initially involves budgetary decentralization, as has been recommended by pioneering districts (Lewis, 1988), the business official will be the pivotal central office staff administrator to deal with the individual schools. In that capacity, the school business official will achieve an initial familiarity with each school's principal, staff, particular program, and school culture. The school business official may thus become a key contact person for other central office personnel as school-based management is implemented and extended into the areas of personnel and curriculum. These are the second and third areas of decentralization recommended by pioneer districts (Lewis, 1988).



Governance and Compliance Broker

In addition to the continual budgetary interaction required to support decentralized personnel and curricular decision-making, the school business official may be required to anticipate (for training purposes) or to reconcile the individual school site decision-making outcomes that may be in conflict with state and federal fiscal accounting or personnel action regulations. The school business official may wish to consider investigating a district pilot request or other exemption status offered by the state or federal government which may alleviate noncompliance concerns. This was a common practice in districts pioneering school-based management (Lewis, 1988).

School-based management provides opportunities for the school business official. Cost reduction and improved accountability outcomes include the following four benefits.

District-Wide Budgeting Precision

Allocations reviewed and assigned at the building level permit a closer review of expenditures; funding is dealt with in smaller, better understood, and more manageable parcels. School site cost centers can thus display financial matters in greater detail. This microbudgeting should allow for a high correlation of expenditure and needs, and an improved efficiency which should assist the overall budgetary efficiency and effectiveness (Greenhalgh, 1984).

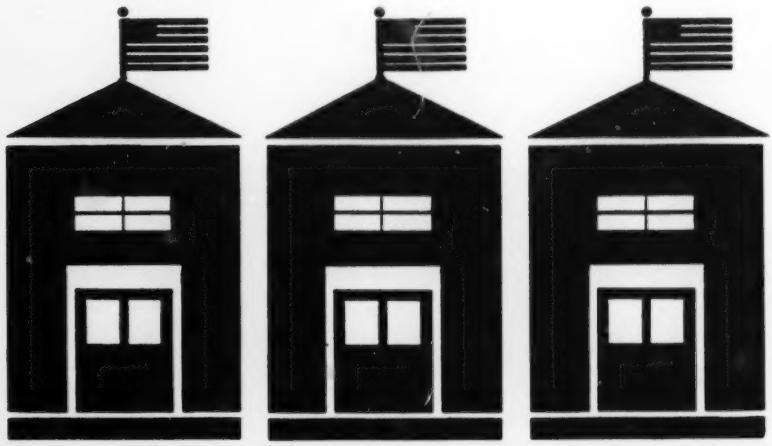
Provision of Budgetary Incentives for Individual Schools

If financial inducements (such as net cost-cutting due to improved budgetary decision-making or voluntary utility cost savings), are offered by the school business official to encourage efficiency, the individual schools may be able to increase their discretionary budgets through a partial carryover guarantee on their savings, and the overall district costs may be therefore reduced.

Collaborative Creativity Between the School Business Official and the School Principal/Site Committee

The closer relationship between the district's business official and the individual site budgetary managers offers the chance for more creative and customized expenditure solutions to school site needs. If the school business official acts in an initial advisory and, later, fiscal troubleshooting capacity to the principals and site committees, a synergistic partnership may result. Each building's decision makers become co-decision makers with the business official (Herman, December 1989).

Increasing familiarity with each school's programs and instructional support requirements affords the opportunity for the school business official to design and advise revenue enhancements (such as obtaining individual school grants) and/or tailored expenditures while assisting each school in avoiding occasional



redundancies or mistakes in budgetary matters (Greenhalgh, 1984).

Win-Win Collaboration with Employee Organizations

School-based mangement may allow the school business official and the district personnel director to deal more cooperatively and collaboratively with teacher unions and other organizations (Herman, September 1990). Unions have conceded some traditional areas of conflict and protection of rights in the interests of teacher and other employee empowerment through participation and representation on site committees. Some unions have reserved for negotiations only the wage and benefit agreements, and they have relinquished some working conditions and regulation agreements to individual collaboration through each site committee. This may translate into district dollar savings and more fiscal latitude for the school business official.

The challenges for the school business official are the transition processes. School business management implementation requires operational bridging and support.

Revisor of Cost Centers and Budgetary Procedures

Decentralized budgeting by individual school sites already exists in school district budgets. Adjustments and the addition of budgetary codes may be required if more or different budgetary detail will be reflected in school-based budgeting. This may require some creativity and the generation of extended codes for internal or external purposes by the school business manager. Restrictions on deviating, transfering, or altering spending plans, that require extensive business office review or elaborate bureaucratic procedures, must be removed to allow for site-specific expenditure flexibility and responses to ongoing identified needs. Since the central office should require a constant flow of current information concerning local building level expenditures and operations, the installation or upgrading of a data processing system is a prerequisite for developing manageable decentralized budgeting processes.

Determinor of Government Guidelines Affected

School site flexibility in budgetary, personnel and curricular decision-making will likely impinge on local, state and federal regulations and reporting or accounting specifications. In lieu of obtaining any pilot status affirmation or exemptions, the school business official will be required to maintain sufficient flexibility in school-based management budgetary records to translate them into required uniform formats for statutory reporting. Additionally, sound managerial techniques must be maintained districtwide for responsible fiscal stewardship.

Assignor of Cost to School Sites

Standard budgetary elements such as personnel costs, mandated expenditures, projected personnel needs, and any program supplements, must be translated from the traditional larger district budget into each site budget. Personnel costs, particularly, must be expressed as averaged unit costs to be assigned to each individual school budget.

Determinator of Site and Nonsite Budgetary Costs

The difficulty in budgetary decentralization is in determining which district costs should be assigned to the school-site level and which should be retained at the central level. Decisions regarding school operations that require a degree of uniformity for purposes of efficiency, economy, or understanding, can be made at the central level. Operations that could be kept at the central level are those that are noninstructional and system-wide, those that are varied and diffused and that are not easily assigned to individual buildings, and those that are of such large size that they benefit from economies of scale. Examples might include personnel services, maintenance, transportation, and mass purchasing of common supplies (Greenhalgh, 1984).

Transitional Process

In addition to the staff development training requirements of school-based management, newly-empowered building-level administrators must be supported in the process of arriving at instructional and spending decisions. Unless complete protection is afforded, often through pre-auditing of plans, administrators and site committees may not assume risks which could lead to their demise or embarrassment. The central office and the school business official must provide guidelines for autonomy, then provide the right degree of security, guidance and supportive service (Greenhalgh, 1984). The adequate and sustained training of school administrators and site committees must be recognized as a long-term support requirement. This training may require supplemental funding through grants or other sources.

Conclusion

The roles, opportunities, and challenges in school-based management for the school business official are interrelated, and they imply a profound transformation in school district culture, particularly in the context of empowerment and improvement. Thus, the initiation of school-based management must be accomplished in terms of fundamental changes in district management functions.❑

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Site-Based Management: Crisis or Opportunity?

By Dr. Clement H. Lausberg

How should a school business official react to all the attention on site-based management? Is site-based management simply putting old budget wine into new administrative bottles? Will the business office experience a loss of control and power over the district's finances and support services? Will money be wasted, and are principals prepared to assume greater responsibility for managing school resources?

School district business officials should support site-based management. We cannot expect schools to make major changes, or prepare students for the 21st century, if we do not give the principal and staff control over school resources. It makes little sense to pay a principal $50,000 or more a year if he or she lacks control over hiring and firing staff, and some degree of flexibility in prioritizing non-salary and support service dollars.

School business officials, on the other hand, must be careful about site-based management. The business office cannot afford to lose control over the district-wide expenditures, allow inequities to develop among schools, or to permit taxpayer dollars to be spent recklessly by a principal or department. Ultimately, it will be the business office who will be held accountable for the management of district finances.

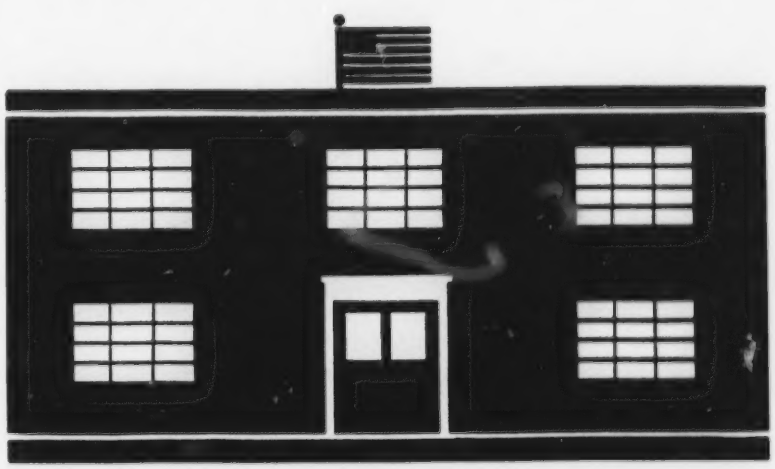
The superintendent and board must be aware of the potential impact of site-based management on business operations. The business office should play a major role in developing new budget and support service procedures under site-based management.

Scope of Site-Based Management

A key question is how much authority should be decentralized at the school level? Should principals/site-based committees have the authority to hire all teachers and instructional staff in schools? Should the authority exist to transfer non-salary dollars to add to the instructional staff, or to shift dollars among non-salary and equipment items? When it comes to support services, should a principal be able to hire and fire food service or custodial employees, or be given control over maintenance, printing services, or data processing allocations?

The Prince William County Schools in Virginia could be viewed as being at one end of the continuum on site-based management. In this school division of 40,000 students, the school board gives responsibility to principals to hire and fire nearly all employees, develop the budget, and decide on necessary support services. With the exception of funds set aside for transportation, food service, and central office staffing, other support costs are divided on a per student basis and allocated to the pilot schools, ranging from $1.3 million for a small elementary school to $9.5 million for a high school. (Note: Virginia does not have collective bargaining, and grievance procedures are limited.)

At the opposite end of the continuum, many school districts provide the principal with less than $50 per student in the budget, barely enough to cover supplies and materials for the teaching staff. Under this top down management model, the central office may assign teachers, instructional aides, teacher substitutes, staff development programs, and custodial employees to the building without the principal's involvement or knowledge. Principals may also stand in



line for maintenance projects, printing jobs, or computer installations. Site-based management is a reaction to this central office dominated decision-making process.

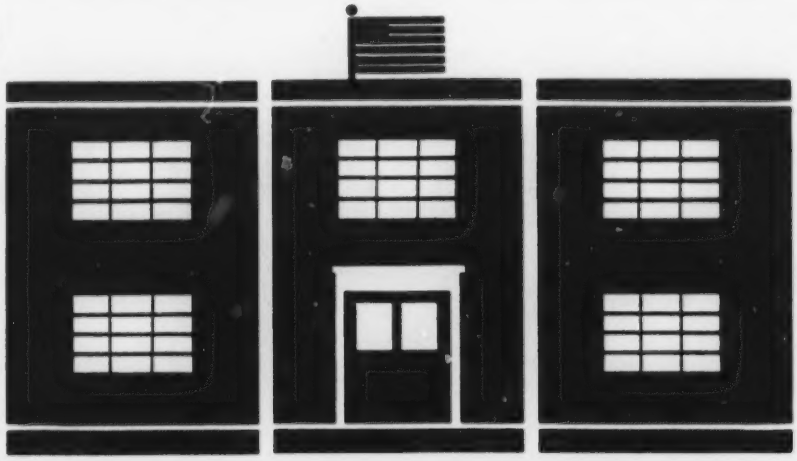
There are five key site-based management issues for school business officials. They are listed in Table 1 above, and described below.

1. Management Accountability

The purpose of site-based management is to give the principal and instructional staff more control over budget, personnel, and organization at the school level. The concept's objectives are: greater involvement in decision making: less imposition of state or district level rules which restrict creativity or school level choices; and the development of innovative instructional methods which will ultimately improve educational results and public acceptance of school performance.

Site-based management often gives authority to principals to move funds within a total school allocation among line items in the budget. The Bellevue, Washington, School District, for example, identifies the following budget actions as consistent with school centered decision making:

- Encouragement of broad involvement in the planning process.
- Ability of schools to carry over funds not spent from one year to the next.
- Ability of schools to plan spending outside of line item allocations (e.g., moving field trip allocations to personnel or supply accounts).
- Authority to convert staffing allocations to equipment or instructional materials, or to move supply and materials funds to personnel.
- Maintenance allocation funds for building-based decisions on school facility improvements.



Site-based management has opened up opportunities for a school principal to waive state level certification requirements, lengthen the school day, or alter the curriculum by waiving state laws and administrative regulations. District collective bargaining agreements may also be revised to allow greater latitude over class size, hours of employment, etc., when the teacher union supports the site-based management concept. In most cases, however, the principal must comply with the restrictions of state level laws and certification requirements, district policies and regulations, and the district collective bargaining agreements.

The role of the central office, whether it be in instruction, personnel, or business, shifts to one of balancing district-wide standards with local decision making and providing training and support to school based decision makers. It means sharing responsibility for many services formerly centrally controlled by the business office or other central office departments.

Principals will continue to be responsible for spending within their budget allocation. There are likely to be penalties for principals and department heads who overspend the budget. For example, the district may penalize next year's allocation for overspending in the current year. On the more positive side, there may be some district-wide rewards or incentives for underspending the budget such as setting money aside for a multi-year equipment purchases, or allowing the carryover of funds into the next year's budget.

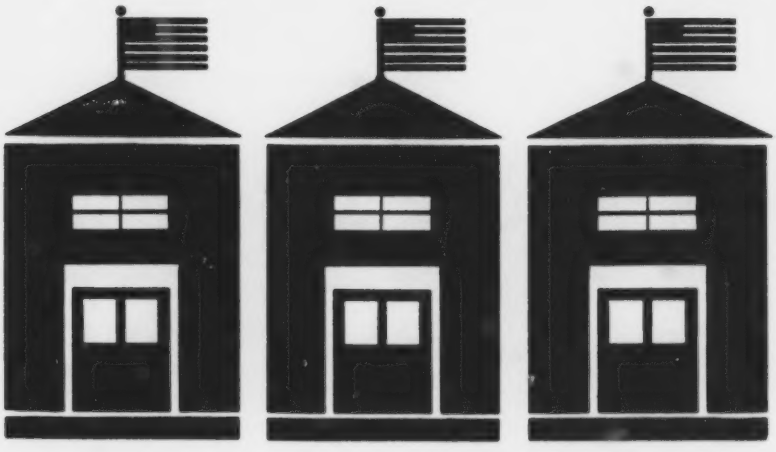
The business office will continue to be accountable for spending on a district-wide basis. Auditors will continue to hold the district business office accountable for expenditures, and the school board will expect compliance with federal, state, and local laws and accounting standards. The style may be different, but the responsibility remains the same.

Utility costs can often be purchased more efficiently on a centralized district basis. The business office, rather than the principal, is best prepared to purchase heating oil on a volume basis, arrange for garbage collection, pay the water and electric bills, adjust for changes in postage and telephone billings, and develop energy management plans.

There are certain maintenance level operations which are best not allocated to the individual school level. A long-range plan for periodic painting of buildings and roof maintenance is best handled

TABLE 1
Five Key Site-Based Management Issues for School Business Officials

1. Management Accountability
2. Budget Development
3. New Information System
4. Planning Procedure
5. Cost Effectiveness



on a centralized basis, as well as heating and ventilating systems, grounds repair, and boiler room operations. The maintenance shop also needs to have available special reserves to handle unforeseen safety or health problems. The Environmental Protection Agency (EPA) required plans for asbestos control and radon testing must be addressed on a centralized basis to assure compliance with federal laws.

On the other hand, there are a number of "gray" areas where centralized efficiency is balanced against site-based management. Should custodial supplies be purchased district wide or at the school level, should the principal or the food service department have control over the kitchen and the hiring and firing of food service employees, or is it wise to allow preventive maintenance dollars to be shifted to the instructional program?

2. Budget Development

The school district budget officer needs to be attentive to the interplay of site-based management and the district budget process. If a number of elementary schools hire child development specialists for at-risk students, it can be expected that there will be district-wide pressure to extend the program to all schools. Who pays for extending this service on a district-wide basis? Should added support come from the district budget, or will the schools be expected to redirect money from other areas?

A similar budget problem can develop as individual schools focus on a single priority project, while failing to address other priority areas. For example, what happens to the individual school which falls behind in library collections, fails to keep the building clean or provide for preventive maintenance, or fails to install computers or new copiers? The business office can be pressured under these circumstances to bring all schools up to a minimum district standard.

District-wide issues can also develop in the area of class size. Individual school decisions over the appropriate student-teacher ratio can quickly develop into a district-wide issue. Parents of children in schools with large classes, for example, may argue that a maximum class size policy should be implemented on a district-wide basis. Similarly, teachers' unions can make the subject of class size an issue in the negotiation process.

The school business officer does have tools available to prevent priorities from getting out of balance in the budget process. Periodic reviews of school level expenditures can be discussed with individual building principals, or if necessary, with a central office supervisor. The director of elementary education, for example, may include budget planning as a part of the overall performance evaluation of building principals and seek an opinion or request comparative information from the business office.

Problems can develop as principals transfer between schools. New principals will bring their preferences with them, such as changing the office decor, the approach to staff development, or the allocation of resources among instructional programs. The extra costs associated with these changes could increase district level expenditures over time.

Site-based management will not make the difficult choices on resource allocation easier. Principals will have to set priorities among competing demands. District long-range plans may require all schools to implement a number of specific priorities. The involvement of local citizen advisory committees, often included in site-based management plans, can also introduce new budget items into the process. Finally, a more fully involved teaching staff may put additional demands on the priority-setting process at the school level.

3. New Information System

New information systems will be required to support site-based management. There will be a need to aggregate school-level expenditures into district-wide comparative information between schools for major objects of expenditure, or differences in program costs. The existing accounting system may have to be revised to open up more account codes, such as identifying costs in subject areas such as English, math, and social science, or even to account for individual teacher expenditures.

A major area of concern for school business and personnel offices will be keeping track of position changes and switches at the school level. A district will need a position control system which keeps track of shifts of full-time positions between teachers, instructional aides, and substitutes. The preferred method here is to allocate positions with a unit price, rather than permit the hiring of lower-paid employees to generate more positions or salary savings.

A centralized software program will be needed for the district. Software packages are now readily available which allow paperless

purchase orders and online site-based screens for managing the budget. Under these computer systems, the role of the business office for maintaining overall expenditure control is retained, even if the handling of individual pieces of paper and approval of specific purchases is diminished. In some cases, large districts with independent data processing staffs may have to write their own programs to accommodate unique report requirements.

Site-based management can be expected to generate more informational requests from principals. Schools may seek a profile of their school, or seek comparable costs for similar items in other schools (e.g., class size information, library volumes, number of computers purchased, or priorities for maintenance level projects).

4. Planning Procedure

Site-based management should be consistent with a district strategic plan for 3 to 5 years. Principals should develop instructional plans within this plan and available resources. Once a district develops a consensus on mission and belief statements and priorities for the next 3 to 5 years, principals should be given authority to apply these priorities in the schools.

Site-based management should be phased in through a pilot approach. The Prince William County (Virginia) plan, for example, began with five pilot schools before being applied on a district-wide basis. Pilots provide opportunities for risk taking, identification of mistakes, common areas in need of resolution, and necessary training for district and school level staff.

Principals and staff will require training for this new management approach. New principal responsibilities for school resources will require more familiarity with the accounting system, the budget process, and the overall balancing of instructional and support needs for the school. Outside consultants with experience in site-based management may be necessary. The school business office may also be involved in providing inservice training for principals on a new site-based management system.

All too often, the business office feels like "the pooper scooper at the end of the St. Patrick's Day Parade." After the policy decision is made to begin a new instructional program, the business office often must adjust bus routes, remodeling projects, computer hook-ups, purchasing schedules, and office space priorities on short notice. For this syndrome to be avoided in site-based management, representatives of the business office should be fully involved in the overall planning of a new system.

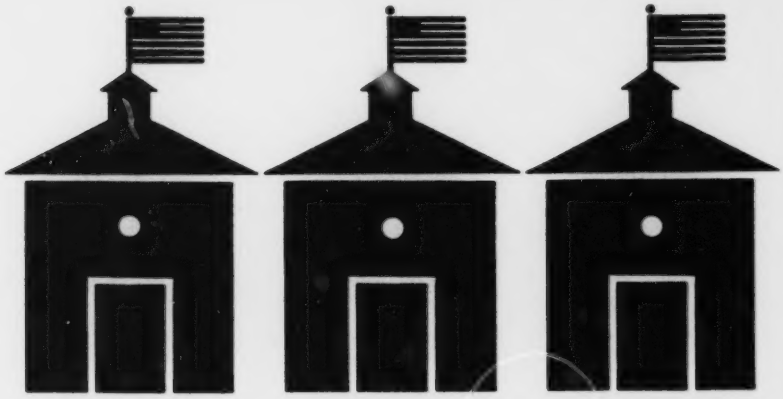
5. Cost Effectiveness

Taxpayers will continue to demand that school districts be cost effective. For example, if schools are free to pick their own copying machine, it will only be a few years before every brand of copier known to man will be in the district. At that point, maintenance agreements may be lacking and individual copiers may prove inefficient. To prevent this situation, school business officials may limit copier purchases to an approved list of cost-effective machines under a district-wide bid or contract agreement.

Similar situations can develop with the purchase of microcomputers. If principals have a completely free hand, it won't be long before every clone and minor computer will be represented in the schools. The best approach may be to identify district-supported computers with proven

TABLE 2
Continuum: Support Service Decision Making

Decentralized Model		Centralized Model
1. COPIERS		
Schools Buy Any Copier/ Maintenance Agreement.	Business Office Identifies 2 or 3 Copiers Approved for Purchase.	Business Office Installs Single Brand of Copier System District-Wide.
2. COMPUTERS		
Schools Buy Any Brand of Computer.	Business Office Identifies 2 or 3 Computers Eligible for District Purchase/ Maintenance.	Business Office Installs Single Brand of Computer District-Wide.
3. MAINTENANCE		
Schools Set All Priorities for Maintenance Projects.	Basic Allocation from Maintenance Department for School-Based Priorities — Limited District-Wide Maintenance Projects.	Maintenance Department Sets All Priorities for Projects Based on District-Wide Priorities.
4. PRINTING		
Schools Given Charge-back for Use In and Out of District.	Schools Given Allocation for Basic Printing Services. Larger Jobs Prioritized on a District-Wide Basis.	School District Print Shop Determines Schedule for All Printing Jobs on a Priority Basis.



reliability to provide a fiscal incentive through district-wide purchases of preferred machines.

The district business office can apply a basic service philosophy to such areas as computers, telephones, maintenance, and printing. Each school is assured a basic service level, with individual schools given the authority to supplement from their school level allocation.

To illustrate the concept, here are a few examples:

- A set number of computers are installed by grade level, such as three per elementary, four per middle school, and six per high school.
- Schools are given a basic allocation priority for maintenance projects in such areas as carpeting, drapes, and broken floor tile, based on school size and the age of buildings.
- A charge back or credit amount per student for printing service is given to each elementary or secondary school.

School districts also often expect the food service program to be self-supporting. If principals are given the authority to hire and fire food service workers, or are given keys to the kitchen, staff morale may be viewed as a higher priority than maintaining a self-supporting food service program. For example, a principal may reward custodians for overtime work by "raiding" the cafeteria refrigerator for cokes and pizzas. Districts may choose to centrally run the food service program due to such "dual" management problems.

A balance needs to be struck between district-wide personnel and school site-based managers in support services. A collaborative approach is essential to a cost-effective operation. Decisions about what is basic service, or how to involve local schools in priority setting for support services, should be done with the involvement of the key players from the business division, the instruction office, and the schools.

Site-based management will not save money. Typically, it will take more time to make decisions at the school level, and principals may seek administrative assistance to help with the extra workload. Both principals and teachers may argue that the extra workload should result in salary improvements. And, as previously mentioned, there will be extra costs for new informational systems, budget changes, basic services, and staff training.

Despite the extra costs in time and resources, districts with site-based management systems support it. The opportunity for principals and staff to exercise leadership and take responsibility for the school level operation generates independence and innovation. One administrator compared site-based management to good parenting. Both set up an environment where the conditions for personal responsibility and growth are present.

Summary

The business officer needs to be careful about site-based management. Districts must resolve the issues of management accountability, budget development, new information requirements, planning procedures, and cost effectiveness in an orderly fashion, or they are likely to be surprised by unexpected costs and unresolved issues. Most important will be the development of new working relationships which appropriately balance the responsibility of the business office for district finances and support services with more site-based management at the school level. If appropriate planning occurs, business officers can support site-based management as an appropriate shifting of responsibility to school level principals and teaching staffs.❑

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From Power to Persuasion

The Business Official's Role in Site-Based Decision-Making

By Dr. Richard A. Griffin and Bill Phipps, RSBA

For the last decade, contemporary analysts from all sectors have said that the shadows of mediocrity lengthening across United States schools have dimmed the brilliance of the American dream. No fewer than 60 national comprehensive studies have warned that the U.S. educational system has faded into darkness and that the U.S. is a nation at risk. A concerned citizenry has focused unprecedented attention on the renewal of public education. While there is disparity among specific remedies suggested, there is one resounding theme they share in common — public education should adopt the more decentralized management model embraced by American businesses.

Harold Geneen, once chairman of International Telephone and Telegraph Corp., proclaims that leaders may be found anywhere in an organization — from the loading dock to the CEO's office. More recently Sam Walton (1992), who became America's prime exemplar of entrepreneurship by taking a single store in Arkansas and creating the largest retail organization in the world, said, "Listen to everyone in your company. And figure out ways to get them to talk. The folks on the front lines — the ones who actually talk to the customers — are the only ones who really know what's going on out there."

The implication is that public schools should empower students, teachers, parents, principals, and the community leaders closest to the school. Providing them with decision-making authority will unleash leadership where it is found and facilitate stronger student achievement and greater fiscal accountability. In most instances, this empowerment has taken the form of site-based decision making, and school leaders are today challenged to guide this participatory management technique in harmony with legislative mandates, state agency guidelines, and patron expectations in such a way as to cause immediate renewal in an organization historically reluctant to change.

Applying Walton's formula to public education would cause us to provide a wide assortment of high quality instructional strategies; produce them at the lowest possible prices; guarantee accountability in learning; provide safe, free transportation; respond with friendly and knowledgeable service; create a pleasant teaching/learning experience; and elicit feedback from all shareholders. Local autonomy is the formula, and the evolution of business management from position (policy authority) to process (noetic leadership), is the solution.

What is Site-Based Decision Making?

Site-based decision making focuses the full resources of the school district at the building level and encourages all decisions to be made as close to the people affected by them as possible. Researchers (Caldwell and Spinks, 1988) state that this management system springs "...from a belief in the school as the fundamental decision-making unit within the educational system." It is a far-reaching and long-term change process defined by the legislation and policies creating it and influenced by its implementation at each level of governance.

Although one can gain an impression of site-based decision making from considering its global aspects, a more complete understanding of the concept can better be accomplished by analyzing its particulars: how goals are established and measured; how curriculum is designed and dispensed; how staffing is patterned and appraised; how budgets are set and utilized; and how the school is organized and managed.

A Rand research team (Hill and Bonam, 1991) selected five major urban and suburban school districts to study the dynamics of the particulars as site-based decision making unfolded: Columbus, OH; Dade County, FL; Edmonton, AB (Canada); Jefferson County (Louisville), KY; and Prince William

County, VA. Five major conclusions resulted:

- Though the focus is on individual schools, the entire district will be in a state of reform;
- Meaningful change will occur when site-based decision making is the district's basic reform strategy, not just one of several renewal initiatives;
- The process will evolve over time and develop identifiable characters, goals, and operating styles;
- Accountability will be redefined; and
- Parental choice will be the primary accountability mechanism.

The spread of site-based decision making has been rapid, and the process, in one form or another, can now be found in schools across the country. In Dade County, FL, for example, 142 schools participate. Only a few dozen school districts, however, among the 16,000 in the United States, are currently at the developmental stage of the schools studied by Rand. There are at least two entire states, though, that have mandated site-based decision making (Texas and Kentucky), and the evolution of the concept in Texas serves as an excellent case study for further defining the issue.

Who A re the Newly Empowered?

The current state of affairs establishes an opportunity for the school business official to influence more profoundly than ever the direction of our schoolhouses. Interestingly enough, however, most of the relevant literature is vague regarding this vital leadership resource, and the majority of the associated political activity has been directed at safeguarding the trustee's authority to manage the schools and the faculty's influence on the decision-making committees. Those in between, including the business official, appear to become secondary powers to support and evaluate the process. Site participants exercise power and authority that was before the province of the central office — an event worthy of applause for its promise, but caution regarding its practice.

The Teachers

The major theme of site-based management is the empowerment of students, parents, teachers, principals, and schools. As has been stated, the assumption is that decisions as to how a school operates should be made by those who are expected to be accountable for the results. The public at large believes that the critical catalyst in controlling the quality of their children's education is the teacher.

Proponents (Hixson, 1990) believe that empowering teachers will increase feelings of professionalism among that staff, contribute to personal ownership and commitment, encourage re-examination and new learning, shorten response time, minimize management by "surprise," improve collaboration, mold school to community, and enhance accountability. This, the plan designers believe will "free" teachers to remove any barriers to reaching new heights of academic achievement.

The Principal

Research on ffective schools, often called upon to justify site-based decision making efforts, attributes success of the plan to strong leadership by the principal. This leader is empowered to obtain and maintain a positive school climate, engender high standards, facilitate the process of strategic planning, coordinate the school improvement plan, promote the decision-making process, train staff and tangential participants, troubleshoot problems, evaluate performance indicators, and represent the site-based team at district activities.

It is the principal who must embrace and advocate this new culture of performance and accountability. Program success depends on this leader's ability to accomplish the aforementioned tasks while simultaneously embracing a commitment to participant involvement on the one hand and being active in the district-wide initiative on the other. Leadership under school-based management, this research claims, becomes vital, therapeutic, and calibrated precisely to teaching/learning needs.

The Schools

Individual schools also take on the element of empowerment (Hixson, 1990), but the little experience we have to date reflects a complicated exponential syndrome: the more an empowered school improves, the more apparent the need for additional improvement. The more an empowered school is recognized for success, the more it is criticized by others. The more an empowered school works collectively, the more tensions among staff members are obvious. And the more an empowered school becomes a model of success, the less the school becomes a practical model for replication.

"Theory and research still point to site-based decision making as the way to mold a school to the expectations of the community it serves..."

Theory and research still point to site-based decision making as the way to mold a school to the expectations of the community it serves. Success depends on the participants' understanding that as the process unfolds, solving one problem will identify others, and it is imperative to anticipate new problems and handle them quickly with the full involvement of the site-based staff. (This is an important phenomenon to keep in mind later as we explore the new role of the district business official.) With the renewed balance among these three critical elements, these reports suggest, children will be provided with an environment conducive to success.

Students and Parents

Educational research abounds with evidence that children learn better and schools perform at a higher level when there is a true

partnership between the parent and the faculty. Site-based management provides a promising opportunity for the meaningful merging of these most influential cornerstones of a child's life. Unfortunately, as is all too often the case in public education, site-based management projects tend to veer toward either end of the continuum rather than focus on an appropriate midpoint.

In Dade County, FL, and throughout the states of Texas and Kentucky, for example, school decisions are made by local councils in which parents are represented (Sheldon, 1992), but control is held by teachers and administrators. At the other extreme is Chicago, where the local school councils are dominated by parents who have been given broad powers to approve school budgets and to hire and fire principals.

Studies indicate that parents are willing participants and can provide the most conscientious and dedicated service to building councils when they see the results of their efforts positively influencing the success of their children in school. Unfortunately, with the deterioration of the American family and with the increased need for dual-parent employment, many students simply do not have parents able to take their turn in this important task.

Shifting populations can cause high turnover in some schools, requiring frequent pauses for training. Stable parents with the opportunity to serve may eventually burn out with the rigors of site-based decision-making activities. Even with these drawbacks, evidence exists that site-based decision making possesses the potential for empowering parents to become true partners in public education, and dramatic changes could occur.

The most critical need in public education, in the minds of these writers, is for students to take responsibility for their own learning. This need clearly overshadows governance problems, lack of revenue, employee demands, or any other of the more publicized deficiencies. Preparing students for positive membership in site-based decision-making activities could provide an important new vantage point and the incentive needed to cause students to accept new responsibility for improving their own performance specifically and public education in general. Unfortunately, it appears that no remarkable models yet exist for involving these prime consumers.

The term empowerment is value-laden (Brandt, 1989), and some people jump to the conclusion that it means takeover. For that reason, procedural safeguards abound in all site-based decision-making plans. Specificity is required in the way fundamental change in authority and responsibility are to be allocated, and a careful balance between central administrators and local building governance councils must be attained. This balance depends on the willingness of trustees and central administrators to relinquish authority and the ability of the local players to utilize it efficiently. The former, however, must first extend the opportunity for the latter to participate fully.

The Texas legislation is both clear and firm (House Bill 2885, 21.931[d]), for example, that a plan cannot be approved that contains provisions that "...may be construed as limiting or affecting the power of the board of trustees of the school district to govern and manage the district or as limiting the responsibilities of the trustees." The power to limit the role of the superintendent or business official is permitted in the law, encouraged by the process, and adjudicated by the board.

A process that has worked productively in some districts involves a series of work sessions prior to the implementation stage facilitated by a trained leader. This allows representatives from all affected groups to arrive at consensus regarding how the responsibility for decision making will be allocated. The Texas Association of School Administrators (1992) has prepared a work sheet to assist in this activity (Figure 1).

Each workshop participant considers the decisions/issues involved in the major aspects of school operations and decides whether it should be treated at the site level, the central office, or collaboratively.

The perceptions are catalogued, and discussions are conducted to prioritize responses and reach consensus. With authority and responsibility delegated in an agreed-upon manner, the implementation of site-based decision making unfolds predictably and smoothly.

Where Does the School Business Official Fit In?

The superintendent and the central office staff have historically been perceived by many as manipulators of the process and as the major blockers to change. Site-based decision making calls for us collectively to "model" shared decision making operationally, focus on student achievement, support positive outcomes, demonstrate leadership by service and training, be goal oriented, be assertive in enforcing the decentralization process, set the vision, articulate the mission, hire and fire principals based on their commitment and ability to carry out the vision, and report progress on the site-based decision-making process to the board.

It is the school business official who is perceived by many to "control" the money and relevant information, and the message to that office is potent: the school business office can no longer "run" the decisions but must support the campus in a service role, focus on student performance,

"Some fear exists that chaos could occur at the central office level when site-based committees establish pressure for increased allocations that the business office will ultimately have to justify to a weary taxpayer."

FIGURE 1
Worksheet for Delegating Decision-Making Authority Under Site-Based Management

INSTRUCTIONS: *Read each decision/issue and indicate with a check how the best decision can be made. Should it be a campus decision? A collaborative decision between the campus and central office? Or, a central office decision?*

DECISION/ISSUE	***Campus***	***Collaborative***	***Central***
INSTRUCTION (Curriculum and Student Learning)			
1. Annual priorities for student learning needs for campus	____	____	____
2. Annual campus objectives for student learning	____	____	____
3. Overall strategies for achieving campus objectives	____	____	____
4. Purchase materials for classroom instruction	____	____	____
5. Changes in curriculum content, scope, or sequence	____	____	____
6. Changes in time allocation for subjects and courses	____	____	____
7. Textbook needs	____	____	____
8. Instructional material needs	____	____	____
9. Purchase supplementary instructional materials	____	____	____
10. Student field trips	____	____	____
11. Changes to the daily or weekly instructional schedule	____	____	____
12. Time and format for "field days"	____	____	____
13. Date, time, content, and presenters at student assemblies	____	____	____
14. Teaching methodology and techniques	____	____	____
15. Staff attending meetings and staff development away from the district or campus	____	____	____
16. High school graduation requirements	____	____	____
17. Starting and ending time of the school day	____	____	____
18. Early release of students for teacher staff development	____	____	____
19. Waivers concerning number of days for student attendance	____	____	____

DECISION/ISSUE	***Campus***	***Collaborative***	***Central***
PERSONNEL (Staffing)			
1. Annual staffing needs	____	____	____
2. Recruiting staff members	____	____	____
3. Applicant screening for positions	____	____	____
4. Selecting staff members	____	____	____
5. Assigning staff to specific jobs (Teachers, Counselors, Librarians, Special Ed., etc.)	____	____	____
6. Performance evaluation of campus staff	____	____	____
7. Promotion, discipline, and dismissal of employees	____	____	____
8. Rate of pay and incentive pay	____	____	____

volunteer as creative problem-solver, stand ready to build coalitions, encourage entrepreneurs, teach fiscal mechanics, be a participant in the evaluation process, and develop a new tolerance for ambiguity.

This new job description may suggest to some a withering away of the traditional administrative channels characterized by hierarchical order and bureaucratic authority. There has been a security associated with the notion that all decisions ultimately funnel through the business office, and this procedural safeguard allows for enforcement of local board policies and for a control of budgetary allocations that keeps the total district operations compatible with the available revenue and a tax burden palatable to patrons.

Some fear exists that chaos could occur at the central office level when site-based committees establish pressure for increased allocations that the business office will ultimately have to justify to a weary taxpayer.

Emerging from this site-based

FIGURE 1
(Continued)

9. Negotiate consultation agreement between school and staff	____	____	____
10. Conduct grievance hearings	____	____	____
11. Specific staff development for faculty and staff	____	____	____
12. "Overtime" pay for staff	____	____	____

DECISION/ISSUE	*Campus*	*Collaborative*	*Central*
GENERAL MANAGEMENT AND PLAN MAKING			
1. Campus mission statement	____	____	____
2. Annual goals and objectives for student learning	____	____	____
3. Campus priorities	____	____	____
4. Define accountability measures for campus improvement	____	____	____
5. Changes in job duties for campus staff	____	____	____
6. Monitor compliance with court orders, civil rights, equity rights, equity requirements	____	____	____
7. Additional days to staff contract for special duties	____	____	____
8. Content of campus staff meetings	____	____	____
9. Student enrollment projections for school attendance zone	____	____	____
10. Date, time, and methods for campus fund raisers	____	____	____
11. Reallocation of funds within the campus budget allotment	____	____	____
12. Use of general school funds for campus-designed projects	____	____	____

DECISION/ISSUE	*Campus*	*Collaborative*	*Central*
BUILDING AND FACILITIES			
1. Capital equipment needs	____	____	____
2. Inventory control and records maintenance	____	____	____
3. Building maintenance and repairs	____	____	____
4. Purchase of cleaning and maintenance supplies	____	____	____

DECISION/ISSUE	*Campus*	*Collaborative*	*Central*
STUDENT MANAGEMENT			
1. Starting and ending time of the school day	____	____	____
2. Early release of students for teacher staff development	____	____	____
3. Waivers concerning number of days for student attendance	____	____	____
4. Campus attendance zone boundaries	____	____	____
5. School assignment for individual students	____	____	____
6. Time allotment for classroom seasonal parties and celebrations	____	____	____
7. Release of students from class for extracurricular activities	____	____	____
8. Changes in the student discipline program or procedures	____	____	____
9. Credit for transfer students	____	____	____
10. Grade placement of transfer students	____	____	____

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decision-making platform, however, could be a new leadership power. This "noetic," or knowledge-based, authority logically depends less upon occupancy of a formal position and the power of bureaucratic restraint than upon the opportunity to influence the process with experience, skill, and training that will be desperately needed at the site level. Training all site participants to consider the cost/benefit potential of recommended programs could ultimately strengthen the process and put this leader in a position of showing ways that improvements can be accomplished rather than in the position of a "blocker" of progress.

More specifically, proponents of the plan believe that successful implementation of site-based decision making facilitates collaboration among all of the forces that influence classroom performance, and the school business official's leadership will become more dynamic as new challenges are confronted. The Texas Association of School Business Officials (Phipps, 1992) has constructed the following dozen roles for the noetic busi-

ness official:

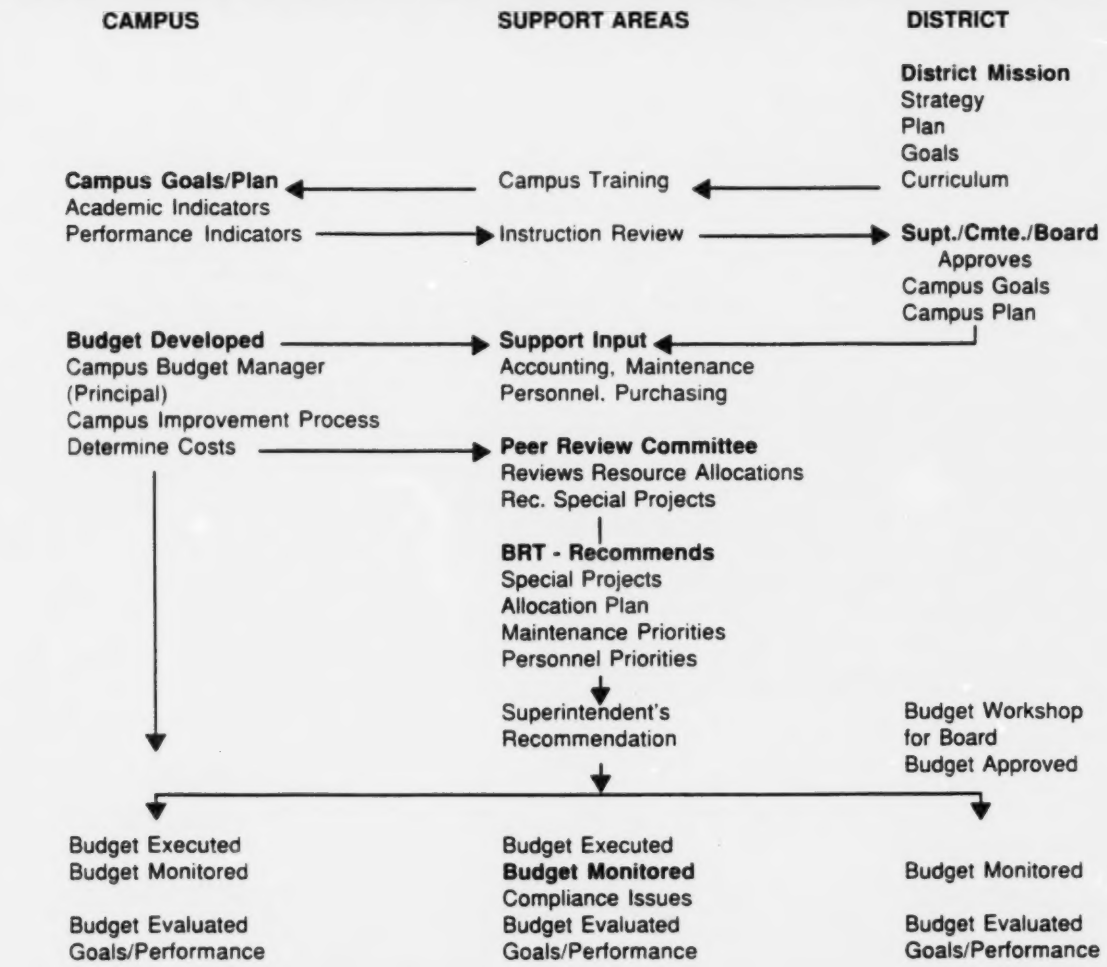
- Trainer of principals, site councils, and others on the budgeting process, accounting codes, accounting rules, purchasing laws, etc.;
- Technical assistant to the principal during early implementation;
- Broker of certain services to schools, particularly where schools have choices of outside vendors;
- Liaison between school site personnel and central office personnel in business matters;
- Monitor of federal, state, and local regulations;
- Reviewer of school expenditures (budget limits, propriety, etc.);
- Consultant to schools on methods to increase their discretionary budgets, generate "surpluses," etc.;
- Reviser of cost centers, budgetary procedures, etc.;
- Provider of information flow from the data processing system through existing or new technology;
- Assigner of allocations to school sites;
- Researcher on formulas, ratios, averages, and other factors used in school allocations; and
- Planner of central support operations such as maintenance, transportation, and other services.

What is the Impact on Budgeting?

The impact on budgeting is often considered to be the best place to start in decentralization. Traditionally in many districts, budgeting has been carried out centrally with funds and staffing formulas driven by enrollment projections allocated to school sites. However, site-based schools must control their own budgets, and budgeting becomes a function of strategic planning. The transformed process can be clearly understood by reviewing Figure 2.

The traditional control mechanisms of the business office must relax, and the district business

FIGURE 2
Budgeting Process Under Site-Based Management



official must become a technical advisor to the building budget officer and a mentor of the fiscal aspects of the plan. A spirit of responsiveness and assistance is expected.

The process at the local building level begins following district-wide strategic planning activity and the appropriate training of building participants regarding site-based decision making, small-group dynamics, and basic budgeting procedures. Campus principals become budget managers for their buildings (with the district business official as their mentor) and assume the responsibility for coordinating the involvement of appropriate participants.

A Campus Improvement Committee is used as a resource for reviewing performance indicators, considering the academic profile of the school, conferring with other segments of the building's community, and setting goals and planning objectives for the campus and its programs consistent with identified needs. The results of these deliberations are confirmed by instructional review and forwarded to the superintendent and board of trustees for approval.

The principal represents the building on the district's Peer Review Committee, where the appropriateness of the budget is judged and funding priorities are established for non-allocated special projects targeted for the district in general. The superintendent reviews the proposed budget with the central office team and prepares for the budget workshop with the board of trustees. Any changes in priorities or requests made at the board level will be communicated in writing by the budget officer to affected campuses. Following approval by the board, the budget is executed, monitored, and evaluated.

What is the Issue in Summary?

Society in general believes that public schools are failing in their attempt to provide an educated work force and citizenry, and a consensus is emerging that a more decentralized management model empowering those closest to the classroom is required.

At first look, this site-based initiative de-emphasizes the authority and control of the district business official, and concern emerges among some that the bridle on spending could be weakened as decision makers at each building increase expenditures in their quest for educational excellence.

Proponents of the site-based system say that the development of decision-making teams at each site calls for a local budget official who, when properly trained and monitored by the district business official, can cause cost/benefit analysis to be applied at the initiation of proposals and projects.

The district business official, because of this leader's education, experience, and talents, provides advice and consent to the process, they say, and achieves a noetic authority that is in essence much stronger than the historical position authority. With a unique knowledge base, the school business official takes on the characteristics of trainer, technical assistant, broker of services, liaison among participants, monitor for compliance, reviewer of expenditures, consultant, reviser, provider of information, assigner of allocations, reviewer of data, and planner of a dynamic process.

Proponents pledge that a new spirit of entrepreneurship will emerge, the leadership skills of involved teachers and parents will be tapped, and the customers of the education process will be meaningfully engaged. They also predict that the evolution of business management from position to process will add vital assistance at each stage of decision making.

The concept of the site-based plan is in its infancy and has not yet attained the status of a proven reform strategy. Its champions, however, quickly point out that although the risks of change do exist, they are preferable to the continuation of business as usual. With the shift from power to persuasion, the noetic business official can smooth the process and dramatically reduce the associated risks of site-based decision making.❑

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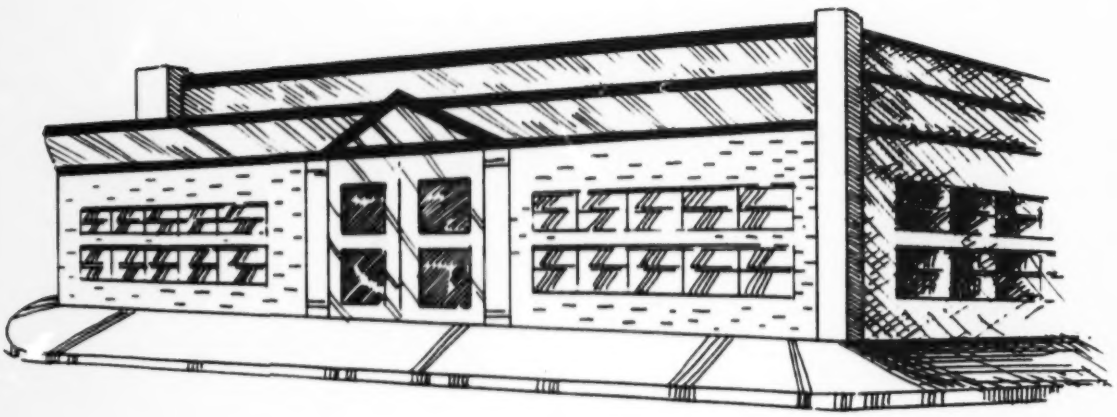
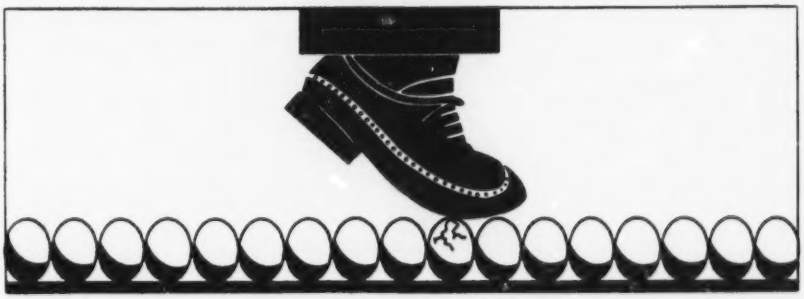
Other Issues





Site-Based Management: Implications For Risk Management?

By Dr. Dennis R. Dunklee

School districts should start now, if they haven't already, to identify a program to transfer viable prevention law and risk management strategies to individual school-sites. I recently developed a program for risk managers to present to their school districts for the Public Risk Insurance Management Association (PRIMA). I briefly describe the program at the close of this article. The program is designed to assist school districts to meet the challenges of site-based management prerogatives, specifically, the management of risk and liability prevention.

Site-based school management continues to be one of the proposals of choice for improving the effectiveness of our nation's schools. If we transfer much of the power of school decision making and operations from the district level to each individual school, are we inviting problems in our district-wide liability prevention strategies, insurance, and risk management programs? Are we trusting too many site-based individuals to make reasonable and prudent decisions that will affect the entire district?

Training is Minimal

Unfortunately, personnel in individual schools have minimal knowledge of the diverse aspects of risk management and liability prevention. Pre-service training in school law for site-based principals is usually restricted to a single three-credit graduate course and teachers generally have no formal exposure to law in their undergraduate or graduate work. In both cases, risk management has not been shown to be a high priority, as witnessed by the number of lawsuits filed against teachers and principals for tort liability for negligence.

To date, directions from the district level have guided individual schools away from risk and liability issues. Without such guidance, and without some form of risk management training, it is reasonable to forecast that school-site decision-making could result in increased exposure to liability for the district.

Empowerment & Enablement

The current trend toward various forms of site-based management through "empowerment" for individual district schools is evolving rapidly. Empowerment is generally defined as giving official authority to those who work on-site in the school. With empowerment naturally comes enablement, which allegedly provides principals, teachers, and parents in each individual school not only the opportunity but the means to succeed; to make things possible.

Empowerment and enablement do not, however, diminish the accountability each individual school site owes to the overall school district, or the standards of duty and care, as defined under the law, owed to students, teachers, parents, and others. Empowerment and enablement do not immediately provide principals, teachers, and parents with the diverse knowledge that they need to make reasonable and prudent decisions under court-defined school law.

The ability of site-based principals and teachers to work together for the common goal of educating children and young adults is a complex maze of societal, political, and legal issues and has become even more so as a result of legal rulings and the sharply-focused eyes of a litigious society.

Hindsight or Foresight?

Litigiousness is not a legal phenomenon, but rather a social change brought about, at least in

part, by a breakdown in the very communities that we serve. Unfortunately, schools are no longer respositories of social trust in the community: the courts have replaced our institutional merit at the very moment public schools are struggling to move from beneath a "smokestack industry" to a "hi-tech," knowledge-based enterprise."

There is a tendency for school principals and teachers to practice the principles of law by hindsight rather than foresight. As a result, school-based principals and teachers may find themselves as defendants in litigation which challenges the propriety of their professional actions. Parents, students, and others, as well as the courts, are demanding that principals and teachers provide adequate safety instruction; proper supervision; proper maintenance of equipment, facilities, and grounds; proper post-injury treatment; and extensive field-trip planning for the protection of students.

They fail to realize the immense problems of safety inherent in having large numbers of school-age children and young adults in close proximity in a school setting. How to organize and coordinate the school in such a way that liability is reduced to a minimum, and risk management is adequate at all times, is a difficult and continuous challenge for boards of education, administrators, teachers, bus drivers, lunchroom workers, and the maintenance and custodial staff, as well as the children themselves.

The effect of courts on the teaching/learning/administrative processes of public schools is an area of concern that cannot be left entirely to the discretion of untrained or minimally trained principals, teachers, and parents. The law, specifically school law, is a complex entity.

The public school administrator must keep abreast of school law, the constant changes in school law, and the current cases that have been, or will be, decided. All have an important impact on local educational practices, viewpoints, policies, and procedures. Neither failure to be aware, nor ignorance of the law, will protect administrative or teaching practitioners and their superiors from the ramifications of an improper decision, even if applied in innocence.

It is prudent, then, to assume that minimal knowledge concerning the diverse aspects of risk management and negligence is found on-site and that in the past directions from the district level have guided individual schools away from liability problems. Without such guidance, and without some form of risk management training, it is reasonable to forecast that increased school-site decision-making could result in increased exposure to liability for the district.

The District Role Remains

The district may transfer some power and authority to the individual schools, but under "respondeat superior" and other legal tenets, the district will still share heavily in the liability for errors made at the site level. This is not to imply that the individual school-based educator or staff member should become an expert in school law. However, each school's personnel should understand our system of public education and should have an appreciation of the historical and legal development of education. The school-based educator should be able to form sound judgments on potential specific legal problems where the professional is involved, and should be able to recognize the circumstances surrounding potential litigation in order to avoid unnecessary risks and the resultant law suit.

Courts have made it abundantly clear that school personnel must provide adequate supervision and instruction and must maintain school facilities and equipment in good repair. The courts have defined, and redefined over time and through myriad lawsuits, the duty and care that is expected when working with children and young adults. Reasonable policies and practices based on legitimate educational objectives have been consistently sanctioned by the courts.

In litigation alleging negligent conduct on the part of schools, plaintiffs assert that one or more of these duties have been violated. When a faculty or staff member commits an "error in judgment," or a principal violates "reasonable trust," the legal theory of "respondeat superior" (master is responsible for the acts of the servant) is applied and an employee's alleged negligent performance of assigned duties commonly results in total school district, as well as individual, liability for damages.

Thus far, a number of thoughts have been forwarded for reader consideration. I have discussed, in brief, my concerns about site-based awareness of basic school law and negligence, the theory of "respondeat superior," and the current rationale for, and the trend toward, site-based management in our nation's schools.

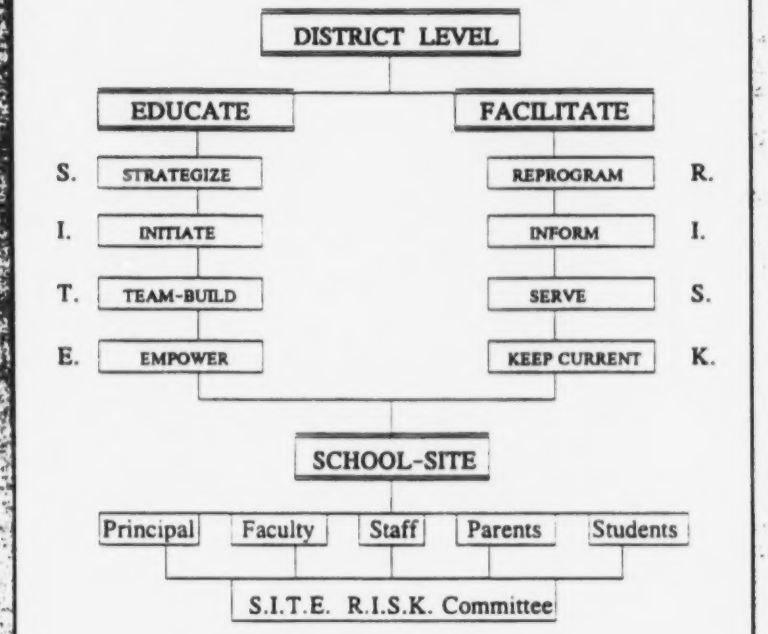
School districts should start now, if they haven't already...to transfer viable prevention law and risk management strategies to individual school-sites

Educate & Facilitate

The major question for school district officials to consider, in light of the preceding discussion, is: if we transfer much of the power of school decision-making and operations from the district level to individual school-sites, are we inviting problems in the overall, district-wide, risk management and liability prevention programs we currently have in place? The answer — probably yes! Can we foresee and prevent any or all of the above mentioned problems? The answer — a qualified yes!

As suggested in the introduction, school districts should start now, if they haven't already, to

FIGURE 1
S.I.T.E. R.I.S.K. PROGRAM



	Educate
Strategize	Identify central issues and problems that need to be transmitted to the site. Where/what are the main problems likely to appear?
Initiate	Assist in the preparation of in-service workshops for principals. Assist principals in providing workshops for teachers, staff, parents, students. Prepare site checklists.
Team-build	Assist principals in the development of a Risk Site Committee at each school site. Develop a team of principals to assist in developing programs.
Empower	Assist in the development of district and school-site policies and procedures to be transferred to each individual school site.
	Facilitate
Reprogram	Assist principals in understanding the basic tenets of risk management and their new accountability for such.
Inform	Prepare information packets for principals, teachers, staff, parents, and students. Serve as an ex officio member of school-site committees.
Serve	Be prepared to respond to principals and others requesting immediate attention—from general questions to emergency situations. Be prepared to mediate when necessary.
Keep current	Keep school sites aware of changes that could affect school-based risk-management programs.

identify a program to transfer viable prevention law and risk management strategies to individual school-sites. District level officials should add to their overall job description an additional responsibility: to *educate* and *facilitate* the installation of a viable risk management program at each designated site. School districts should name a district-level "Risk Manager" to oversee these efforts. The following suggestions, under the acronym S.I.T.E. R.I.S.K., may assist school districts to meet the challenges of site-based management prerogatives.

S.I.T.E. R.I.S.K. is a program designed specifically to respond to the needs of district-level officials working cooperatively with identified personnel of site-based managed schools (principals, teachers, staff, parents, and students). The components of S.I.T.E. R.I.S.K. suggest that district-level officials:

- Strategize, Initiate, Team-build, and Empower
- Reprogram, Inform, Serve, and Keep current

Figure 1 demonstrates the components in action.

Under the category of *educate* are the four components of S.I.T.E. and under the category of *facilitate* are the four components of R.I.S.K. An examination of all components in the overall process provides district-level officials or a designated risk manager with the following brief examples. The risk manager should expand on these examples to fit the needs of an individual school district.

It is imperative that school district officials and risk managers recognize that site-based management is here and must be a high priority for immediate and long-term planning. Whether this is another "fad" in our efforts to improve our educational system ("this too will pass"), or whether this is a long-term effort is irrelevant. What is relevant is that liability for negligence doesn't wait for management to catch up. It insidiously appears during times of mismanagement or management change.

BEST COPY AVAILABLE

UNRELATED ADDENDUM

This may be the time to remind, reinform, or warn your district principals (depending upon your state laws or district policies) that principals do not have the authority to financially obligate anyone in the public school structure — other than themselves — in a written contract for school services. In most jurisdictions, only duly authorized agents of local school boards can commit boards to contractual obligations. Principals are not automatically duly authorized agents unless specific action of the school board gives them such power.

We are seeing an upward trend nationwide in contract law litigation in association with principal-signed contracts for school-site based vending machines and other items that principals might contract for (e.g., *multi-year contracts* for beverage and candy machines, copy machines, office equipment, yearbooks, school rings, school portraits, etc.). Two such cases have come to our attention this month and we urge you to share this information with principals.

Two principals (separate cases, separate school districts) are being held liable as a result of signing multi-year vending contracts. In short, they signed three- to five-year contracts for vending machine services at their particular schools. In both cases, the principals were transferred to principalships in other schools before the term of agreement on the vending contracts expired. The principals who replaced them chose not to use the vending machines at their respective schools and the vending companies are demanding payment of machine rentals for the full term of the multi-year contracts.

In one case the principal is being sued for $20,000 and in the other case the principal is being held responsible for over $5,000. In both cases, the vending machine companies have either placed a court lien against the personal possessions of the principal (i.e., home, car) or are threatening to do so.

The principals in both cases have not received support from their superiors or their respective school boards. The superintendent and the school board have distanced themselves in both cases.

Clearly a policy review is in order.❑

Dennis R. Dunklee, Ph.D., is a member of ASBO International and a former school administrator, principal, and teacher. He is now a Professor of Education Leadership at George Mason University, Fairfax, Virginia.

Who Will Fix the Roof?
Site-Based Maintenance Programs

By Dr. Glen I. Earthman

Public schools have traditionally been associated with the concept of central administrative decision-making. This application originated for a variety of reasons but primarily from the need to have control over a large organization and to bring uniformity of application to an organization with many sites. This model has served the public schools well in the past by introducing and internalizing some efficient administrative practices into local organizations.

For the past decade, however, administrators have felt the need to have decision-making closer to the action. They see it as beneficial to the educational process to have decisions made as close to the student as possible with the anticipation that local resource disbursement will positively affect learning. Further, it is believed that local allocation of funds provides greater efficiency and allows for more flexibility in application of resources.

School site-based management is usually thought of as an alternative organizational arrangement from the usual hierarchial school system governance arrangement where decision-making power is lodged in the central administration. It is generally defined as a system where the individual school building is the focus of educational decision-making as contrasted with central administration. The responsibility for making these decisions is most often lodged either in the building principal, faculty, community members, or any combination of the three. In some cases, even students are involved in the decision-making process.

This kind of alternative organizational arrangement has been implemented in many school systems throughout the country. The exact arrangement, however, varies considerably from locality to locality depending upon how the local educators or school boards conceptualize site-based management or how state or local statute defines this organizational pattern. The variety of application extends from one extreme to the other. In some instances, site-based management is in name only, whereas in a single building organization such as a private school, site-based management is the only organizational pattern available.

Site-Based Administration

The hallmark of almost every site-based management application is the local authority over three aspects of administration: budget, curriculum, and personnel. At least these three functions have to be explained and operationalized in some form in any plan for decentralization of decision-making or devolution of power. Site-based budgeting assumes that local personnel are better informed as to the resource needs of students and can expend funds in a more efficient manner than through a central administrative office. In some of the more distinct applications of site-based budgeting, local school staffs are allowed to determine how a given lump sum of funds is distributed for personnel, equipment, supplies, and even maintenance.

Site-based curriculum development refers to decisions made regarding subject matter offered or methodological application. The belief here is that principals, teachers, and parents working together can produce the necessary results in students and meet their educational needs more accurately than can a director or supervisor from a central office.

Personnel decisions in site-based management schemes are made based upon the idea that the local school organization should choose what kind of staff will be working there if the school staff is to be held accountable for student performance.

Site-based management is considered a significant trend in American education today, which means that every school system in the country must deal with it in some fashion. A school system may choose to ignore the trend and continue in the present operation, whatever that may be. That is usually not what happens in practice, however.

There are those school systems,

that because of small size, have always utilized site-based management simply because that is the best and probably the only way to operate. The larger school systems, however, are the ones that must confront the issue. These school systems must decide whether site-based management, regardless of concept, will be put into practice. In some cases, state governments have mandated site-based management schemes.

Whatever the definition of site-based management in the local school system, the actual areas of responsibility and decision-making need to be negotiated. In other words, the central administration and the local school building administration needs to come to some agreement as to what decisions are to be made on the building level and what decisions are reserved for central administration. Of course, the actual focus of decision-making regarding the three areas of concern will vary in each jurisdiction, but this is the first step in implementing site-based management. State mandates will influence how much decision-making authority the local school building staff will have in matters involving the curriculum.

In addition, union contracts may affect the amount of decision-making authority the school building staff has. The amount of school building decision-making in budgetary matters will rest on the school board and their interpretation of state fiscal regulations.

All of this, however, needs to be taken into account in developing a site-based management system. Empowerment of the local school staff has to come about as a result of negotiations of areas of responsibility.

Implementation of site-based budgeting will entail many facets of administration because of the need for resources to maintain certain levels of program offerings, staff availability, and deployment across the school system. On the other hand, local school building staff may be given very little authority in expending funds on these matters, and yet on the other hand, some staffs may be given great latitude, subject to certain resource allocation formulae and given accounting procedures of the central administration.

Funding Maintenance Programs

An additional area of great concern in budgetary areas that is usually addressed in site-based schemes is that of funding the school system maintenance program that covers every school building owned and operated by the school board. Preserving the initial investment the community has in every local school building is a very important responsibility of the school board. This body is charged with keeping each building in as good a state of repair as when it first opened. This is a difficult task to complete at best, given the limited resources available to the school board.

To complete this task, people with expertise in the area of building maintenance are employed by the school board. These staff members are experts in keeping the school buildings in good working condition. Maintenance employees are usually deployed and directed by the central administration staff.

The centralization of the maintenance function of the school system has been seen as beneficial for several reasons. First of all, the limited resources available can be applied in a uniform manner to all of the needs of the school system's inventory of buildings. In other words, each school building is treated equally and fairly in regard to maintenance needs and resource availability.

In those school systems that have a centralized maintenance schedule, equal resources will be allocated and maintenance needs addressed for each building on a regularly scheduled basis. Unfortunately, in some school systems, a regularly scheduled maintenance plan that addresses these building needs in a systematic fashion is not in place. In these cases, maintenance needs may not be taken care of in an equal and fair manner but rather as need arises. As a result, not all maintenance needs may be addressed nor preventative maintenance measures implemented. For the most part, however, a centralized maintenance program can provide for an equalization of resource utilization and a uniformity of practice.

The second benefit of centralized maintenance is that it relieves the building administrator of the responsibility of completing the maintenance work that is always evident. Usually the principal is seen as a person expert in administering the school education program and personnel; those tasks usually take the full efforts of the administrator to accomplish.

The process of identifying maintenance needs and then doing those tasks required to get the work done, however, is generally perceived as being beyond the realm of responsibility of the building principal. To identify, schedule, and complete the maintenance needs, the school board employs experts and selected craftsmen who can handle these projects. This arrangement is a sort of divided administrative responsibility based upon expertise in the position.

Local School Building Involvement

There are, however, instances where the building principal and staff should have strong input into the time for scheduling the completion of certain maintenance projects. These situations are where the maintenance item has some impact upon the curricular program or the health and safety of the students and staff. In these cases, the building principal and staff should have a compelling voice into the decision when the project is to be completed.

Most school systems regularly, as a matter of policy, involve the principal, staff, and even community representatives in identification and scheduling of maintenance projects in the overall district-wide maintenance list. For the most part, such arrangements serve the needs of the school building staff by completing those projects they want to have done as well as accomplish the building maintenance needs as seen by the central staff.

Under site-based management schemes, however, decisions regarding maintenance needs might well become a negotiable item. This would mean that the extent

of decision-making of the principal and staff as far as maintenance projects to the building are concerned would be determined cooperatively with the central administration and eventually the school board.

Division of Responsibility Through Negotiations

The real question to be posed, however, is how much of the maintenance function should be the responsibility of the local school staff and how much that of the central administration. The maintenance function is much more than simply deciding which project, out of a list, to fund or not to fund, although that decision is quite important to getting the job done. There are at least six different processes involved in properly maintaining school property:

- Identification of the condition to be repaired, corrected, or maintained;
- Specifying or describing the method of repairing or correcting the condition and assigning a level of funding to complete the task;
- Scheduling the work to be done;
- Publicly bidding the project and awarding a contract to an outside contractor or assigning a school employee or team to complete the work;
- Inspecting and monitoring the work of either the outside contractor or school system employee;
- Certifying that the work was done satisfactorily and reporting back to the proper authority.

Some of these processes may not be within the desired range of purview of the school building staff in a site-based management scheme, but they all must be done by some office or person in the school system. Responsibility for completing these processes or tasks must be placed upon competent persons and must be aligned in such a manner as to assure proper continuity towards completion of each project. Deciding who or what office assumes these responsibilities then becomes the focal point in the division of labor between site-based management and central administration.

This is the point where the negotiations need to take place between the central administration and the school building administration and staff. Negotiations need to lead to the determination of responsibility for maintenance processes between either the central administration or the site-based management team. When negotiating these responsibilities, some very difficult questions need to be answered such as:

- How will maintenance funds be equitably allocated to individual school buildings: On what basis: per pupil, square feet, or building need?
- Will building principals and staff make the final determination of how maintenance funds will be expended?
- Who or what group will identify maintenance needs of the building?
- How will the school system achieve economy of scale/ volume in bidding projects; i.e., grouping like items for one bid; buying in bulk; obtaining similar services for more than one site.
- Who will be allowed to tender bids for maintenance projects?
- What maintenance projects will be bid by the building staff or by the maintenance department?
- How can the school board guarantee adherence to proper legal procedures when projects are bid on the building level?
- Can building principals sign valid contracts for goods and services used in maintenance projects? If so, for what amount?
- Can principals use funds from sources other than the school system to complete maintenance projects? PTA funds, Band Boosters, Quarterback Club, Pep Club.
- Who is responsible for inspecting the work of the contractor if the central administration maintenance department does not bid the project?
- What kind of staff development will need to be given to the local school building decision-makers to help them become knowledgeable about maintenance needs, priorities, and processes?
- How can the school board guarantee that preventative maintenance tasks are completed in a regular and timely fashion if the local school building can make decisions regarding how funds are expended?
- What kind of staff will the school building principal need to properly take care of all maintenance projects?

When these questions are answered through negotiations to the satisfaction of both the building and central administration, the school board can feel reasonably assured that the maintenance program of the school system will function properly and, in doing so, will maintain all buildings in a good state of repair.

Through a definition of responsibilities and subsequent allocation of authority and funding, the maintenance program can succeed. This is the only way the school board can be assured that this important administrative responsibility will be fully and appropriately discharged.❑

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Denver Negotiates Reform
The Power of Collaborative Decision-Making

By The Center for Quality Schools

In the fall of 1990, the school board for the Denver Public Schools (DPS) and the Denver Classroom Teachers Association, the union representing the district's teachers, were deadlocked in their negotiations over a new teachers' contract.

The board sought to streamline the district's 128-page contract with the teachers and to give the administration greater authority over teacher hiring, transfers and work hours. The teachers sought greater decision-making authority at the school level while retaining the detailed array of protections in the contract.

A teachers' strike was imminent when Governor Roy Romer intervened in the labor negotiations in January 1991 to settle the dispute. Romer undertook a series of information-gathering public hearings to learn what issues separated the district and the teachers.

On March 27, Romer presented a 65-page contract which created Collaborative Decision Making (CDM) Committees vested with sweeping authority to allocate resources and structure curriculum.

In presenting the contract, Romer said the new structure "sets up a clean line of responsibility and accountability between the schools and the district." He went on to say, "We have said to teachers, 'You don't have to have 120 pages of micro-managing detail in the labor contract to protect your rights, because you're inside making those decisions.' It's a bold step, I think it's needed, and I have great hopes that it will make a difference in education." The board and the union approved the contract.

The following article describes the provisions of this innovative contract. The article is adapted from *The Power of Collaborative Decision Making: A Handbook for Change in the Denver Public Schools*, published by The Citizens for Quality Schools, an unaffiliated, independent group of community leaders dedicated to improving Denver's schools.

The teachers' contract that went into effect in March 1991 changed forever the way business is to be done in the Denver Public Schools. Citizens for Quality Schools, an unaffiliated, independent group of community leaders dedicated to improving Denver's schools, believes that this contract is the blueprint for building a school district completely different from anything Denver has known until now.

In the past, power in the Denver Public Schools had filtered down from the top through a complex hierarchy. Many decisions that determined the way schools operated had been made centrally. Often, principals and other leaders at the school level had not had the power to turn their unique visions into reality.

This contract mandates a new balance of power. The role of the central administration is no longer to control and oversee. Instead, it is to provide the support and assistance schools need to assure that the programs they develop meet student needs and dovetail with district goals.

The contract recognizes that some decisions belong at the district level. For example, it is the responsibility of the school board — the district's elected governing body — to set district education goals. Common goals ensure that students enrolled in different schools receive equal, though not identical, educations. Furthermore, district-wide goals provide a common standard for holding schools accountable.

As long as those district-wide goals are honored, however, CDM committees hold the power to design and implement a wide range of diverse educational programs and initiatives.

Collaborative decision making is a tool to achieve reform. The contract mandates that the DPS board and administration share power, but the success of collaborative decision making depends ultimately on the willingness of teachers, principals, parents and the community to assume this power.

As they do, it can be used to create educational programming that meets the needs of students

and supports higher levels of student achievement.

What Collaborative Decision Making Can Do

In the following section, this article reviews the express and implied delegations of decision-making authority to CDM committees. It identifies some key issues unresolved by the contract where individual schools and CDM committees will have to provide leadership to make the case for decentralization.

The Denver contract is anchored in the related concepts of collaborative decision making and site-based management. CDM and site-based management share a common premise: That the best decisions are those made jointly by the people who have responsibility for implementing them and who have the greatest stake in their outcome.

Site-based management is the shifting of authority from the district level to the school level. Collaborative decision making is the process of sharing this authority.

CDM assumes site-based management because power can be shared only if it is first held. CDM without site-based management would ask people to engage in the hard work of joint decision making without giving them authority over decisions of any real consequence.

Decentralization and CDM reflect the belief that those closest to the students are in the best position to respond to their changing and varied needs. Together, CDM and site-based management create the flexibility that is essential if schools are to create diverse programs that engage all students in high-level thinking, problem solving and complex learning.

Advantages of CDM Methods

Both research and experience indicate that schools that are collaborative and self-governing are better able to provide a responsive, student-centered learning environment. Teachers in these schools are more excited about teaching because professional responsibility replaces bureaucratic regulation.

Moreover, collaborative decision making is an effective way to extend a sense of responsibility for education to parents and the community. It reflects the belief that all those who touch a child's learning experience should accept some responsibility for the child's success.

CDM gives individual schools the management flexibility to respond to diverse and changing student needs. In this way, CDM creates a climate where new approaches and reforms can be tried. It makes possible, but cannot substitute for, the hard work of rethinking the school's mission, design, schedule, instruction and curriculum to support higher levels of learning.

CDM is not a quick fix. Because it confronts issues such as trust, power-sharing and changed roles, most educational experts agree that implementation takes a long time — from 5 to 10 years. It is important to be realistic about this timeline and not get discouraged by early setbacks or slow start-ups.

CDM Committee Structure

The contract provides that the CDM committee must include the principal, four teachers, three parents, a member of the school's support staff, an employer or business representative from the community, and, at the high-school and middle-school level, two students. CDM committees are encouraged to solicit participation by representatives of state or local agencies involved in the provision of health, social or other services to families and children.

After March 1992, the contract allowed CDM committees to expand or amend the form of their committees, upon approval of the superintendent.

The Challenge of CDM

CDM is a major change. And change, even when desperately needed, creates discomfort. It shakes up our self-definition, our habits, our roles.

Each member of the CDM team is in a unique position. The principal, for example, must walk a line between two masters. He or she must participate as an equal member of the CDM team, while remaining ultimately accountable to the elected board of education for the management of the school.

Parent and business-community members may be concerned that they lack the time, energy, tools or information to serve effectively. Parents may be concerned that their opinions won't be valued or that their outspokenness will place their children in an awkward position.

Teachers also may feel uncomfortable. An active role on the CDM committee may require them to voice opinions that put them at odds with the principal, who evaluates their performance, or with their colleagues.

Finding enough time to serve effectively can be a problem for all CDM team members.

Power Shift

The contract clearly gives a great deal of power to CDM committees. But nothing will change unless CDM committees take the power and use it with boldness, purpose and imagination.

Both the spirit and the letter of the contract support the broadest possible delegation of power to the schools, within the context of the educational goals set at the district level. The contract explicitly focuses district responsibility on outcomes (defined by the contract as "what students should know and be able to do") and reserves to the schools the day-to-day decisions that support student achievement of these outcomes. The executive summary of the contract spells this out:

"CDM without site-based management would ask people to engage in the hard work of joint decision-making without giving them authority over decisions of any real consequence."

"The division of power contemplated in the contract gives the board of education responsibility for defining district goals and to design and implement the structures, schedules and means by which schools and their students achieve district outcomes. The board defines the destination. Schools chart their individual courses for reaching the common destination from their present positions."

The contract delegates extraordinary power to CDM committees. Recognizing this, CDM committee members should focus their time and energies on achieving their goals, rather than on debating whether they have the authority to act in any given situation. In other words, if they focus on what is right for the students in their school, they will find the way to put their power into action.

The contract expressly assigns the following powers to CDM committees:

- Design the instructional program for children, including those who are enrolled in special and bilingual education programs.
- Organize the content of the courses, programs and curriculum. Because the contract is not explicit about how much of the curriculum is to be controlled at the school level, this power has been virtually untested by the CDM committees. Read as a whole, the contract respects the district's authority to set outcomes and establish broad curricular frameworks while restricting the district from imposing specific curricula that would straitjacket classroom practice and flexibility. Such a reading is consistent with the contract's emphasis on encouraging the development of new and diverse educational programming.

Resolving this issue will require discussion between the district and the schools and may require changes in district practice or possibly the application of certain waivers of board policy.

- Organize the school, classrooms and school day to make the most effective use of the time and talents of the school professionals within the school calendar established by the board.
- Set school goals that are consistent with the district's goals and strategic plan.
- Build relationships with the communities. CDM committees need to reach out to the communities they represent in order to make sound decisions that the communities will support. By its nature, the work of CDM committees cannot be undertaken in isolation or behind closed doors.
- Make decisions regarding the hiring and transfer of instructional staff. The CDM committee acts through a personnel subcommittee composed of the principal and three teachers. In making hiring decisions, the principal has one vote and the teachers collectively have one vote. The decision to hire an applicant requires two votes. The personnel subcommittee is encouraged to solicit input from parents during the hiring process, and parents may serve as non-voting members of the subcommittee. The contract sets out criteria that the personnel subcommittee should consider in making its decisions, but it does not require the subcommittee to apply a formal point system.

In practice, many CDM committees also are playing an advisory role in principal selection. We encourage CDM committees to seek out this role, and to work together to advocate a district-wide policy formalizing this practice.

- Develop school procedures and policies. As the chief executive officer of the school, the principal should be responsible for making day-to-day decisions that affect the school's operations. Many of these decisions require immediate resolution, and it would be impossible for CDM committees to function at such a fine level of detail. However, the line between policy and operations is not always well-defined. We encourage each CDM committee to engage in an ongoing conversation with the principal regarding appropriate roles and responsibilities.
- Set budget priorities and allocate school budgets at the school site. The contract does not expressly define "school budget." Read in the context of the contract as a whole, however, this delegation implies more than the right to make decisions regarding the principal's small discretionary budget. It must refer to a budgetary power commensurate with the board responsibility vested in CDM committees. We encourage all CDM committees to engage the district in a process to explicitly define the school's broad budgetary authority.
- Determine the use of equipment, supplies, staff and space.
- Organize and assign staff time during the school week, including instructional time, preparation time, planning time, lunch time and student contact time. This extraordinary delegation of authority empowers CDM committees to allocate staff time based on the educational needs of students, rather than on certain fixed formulas. This power holds tremendous possibilities for innovation and experimentation. It also redefines the nature of labor-management relations in the district.
- Determine classroom organization and other issues relating to school structure. This authority includes the flexibility to experiment with new kinds of scheduling and groupings to meet student needs.
- Provide input into the evaluation of the principal and central office staff.
- Conduct an annual survey of school performance to solicit feedback from the school community. In our view, the purpose of the

"... the success of collaborative decision making depends on the willingness of teachers, principals, parents and the community to assume this power."

annual survey is not to pass judgement on the CDM process but to provide essential feedback to improve its effectiveness. The ability of a CDM committee to develop an instructional program that meets the needs of its school community requires knowledge of that community. The Center for Quality Schools can offer samples and technical assistance to help CDM committees develop effective survey instruments.

- Participate in planning, implementing and evaluating any form of performance contracting.
- Develop procedures to promote public access to school buildings.
- Set priorities for materials and supplies.
- Set a building disciplinary plan that establishes the conditions under which a student will be sent to the principal and subsequently returned to class.

Unspecified Powers

The contract recognizes that the CDM committees' power "includes but is not limited to" the express delegations. Other key provisions of the contract provide CDM committees with the tools to transform their education program to meet the learning needs of students in virtually any way they see fit, so long as they continue to meet district-established goals and outcomes. For example:

- The contract authorizes a CDM committee to request a delegation of specific decision-making authority (other than those expressly granted in the contract) from the board and requires the board to "seriously consider" the request in a public setting.
- The contract contains a very liberal provision to encourage the waiver of district rules or policy when a CDM committee request it of the board.
- The contract is clear that issues related to the implementation of CDM are to be resolved through debate and collaboration, not through district edict.

Role of the Board and Central Office

As mentioned earlier, the contract mandates that the DPS board and administration share power, but the success of collaborative decision making depends ultimately on the willingness of teachers, principals, parents and the community to assume this power. The central office's role under the contract is to provide the support and assistance schools need to assure that the programs they develop meet student needs and dovetail with district goals.

The contract recognizes the board's right to establish district goals and performance outcomes (what students should know and be able to do). These goals and outcomes provide a framework assuring accountability and equity, within which CDM committees can operate. These goals and outcomes are to be made with the collaborative participation of all the groups involved in CDM.

The board and the central office personnel should embrace the collaborative decision making process when making decisions. In fact, the superintendent must accept CDM committee feedback on the performance of principals and central office personnel. Their ability to implement CDM will be considered as part of their evaluation.

When a CDM committee asks the board to waive a policy, the board must "presume in favor of granting the waiver." To deny a waiver request, the district must find that the waiver is not in the best educational interests of the students in that school.

The district has an ongoing, shared responsibility for providing the training and the infrastructure necessary to help the CDM process succeed. The contract notes that training is an "essential ingredient" of successful collaborative decision making. It requires that a training program be developed and managed jointly by a board of directors composed of the superintendent and other district officials, teachers, principals, parents and representatives from the business community.

To encourage innovation and leadership by CDM committees, the district is to establish an incentive fund to recognize and reward schools that are the most effective in the implementation of CDM.

Charting a New Frontier

There is a great deal of interest in school-based governance throughout the country, but few models of effective practice. The nation is watching Denver.

Collaborative decision making (CDM) is a new frontier for the Denver Public Schools. Implementation of CDM is a work in progress. The contract does not address every concern that will arise, and, as a labor contract it speaks primarily to the relationship between the district and the DCTA. The real power of CDM is not on the pages of the contract, but in the hands of the CDM committee members. Its most formidable limits are not legal. They are cynicism, timidness and lack of imagination.

In our view, the contract provides clear marching orders. It tells schools to examine all their efforts and redesign them in any way necessary to meet the educational needs of their students. With the CDM process, the students, parents, teachers, community members, principals and others who are concerned about the school district will learn new skills of compromise and collaboration, listen with an open mind and refuse to accept the answer that "it can't be done."❑

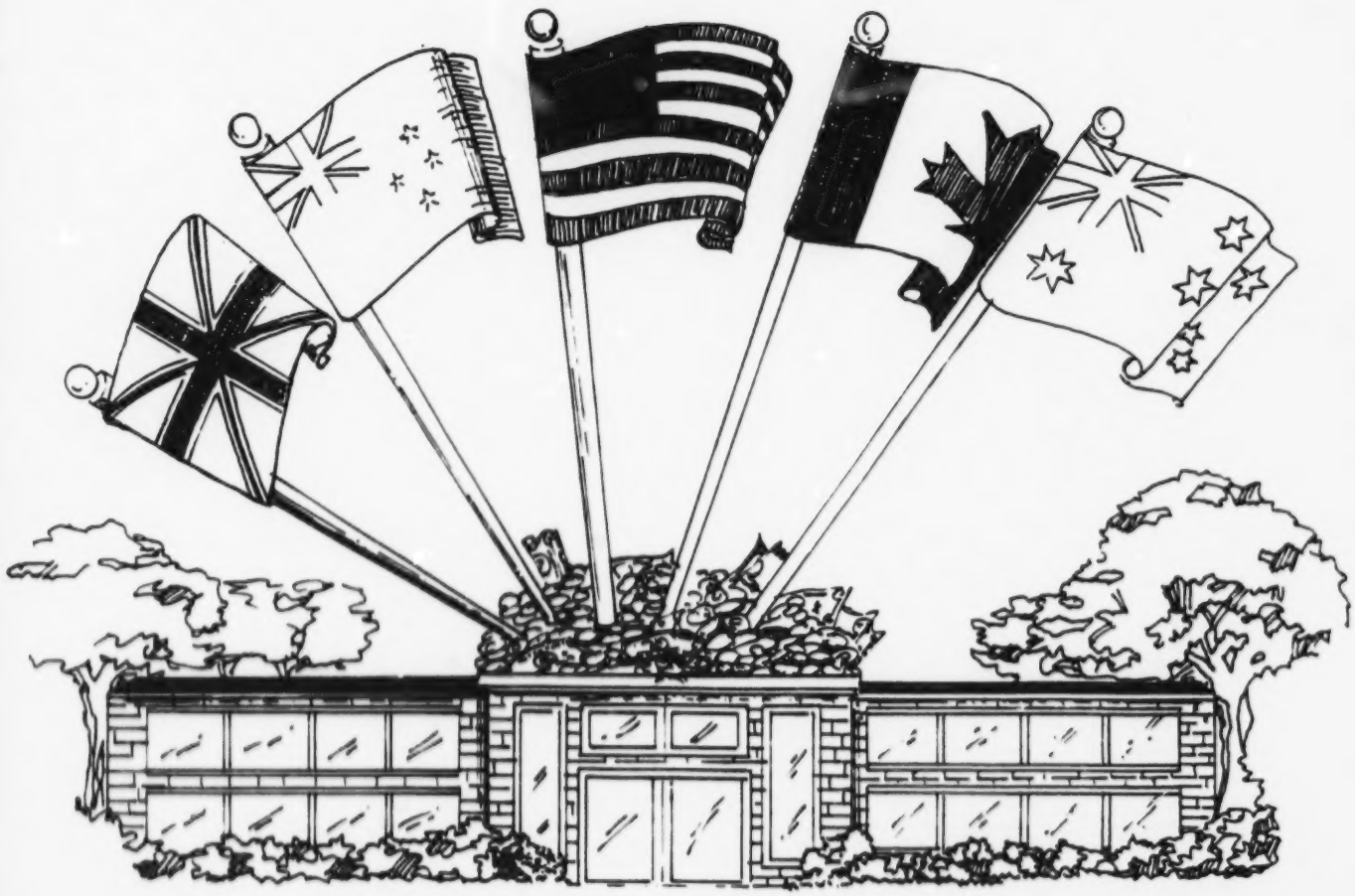
Citizens for Quality Schools is an unaffiliated, independent group of community leaders dedicated to improving Denver's schools.

"This extraordinary delegation of authority empowers CDM committees to allocate staff time based on the educational needs of students, rather than on certain fixed formulas."

Implications of School-Based Management for School Finance

An International Survey

By Stephen B. Lawton



The 1980s was a decade of restructuring education. Major reforms in the United Kingdom, Australia, New Zealand, and parts of the United States and Canada are prime illustrations of this phenomenon, although many other nations — China, Sweden, Brazil, and others — were involved or are involved in such actions.

This paper will define what is meant by restructuring; describe a number of cases where educational systems have been restructured, and look at some of the implications of these changes for school finance.

Definition of Restructuring

The popularity of the term "restructuring" is such that virtually any reform that changes the patterns of organization and responsibility in education has come to be so identified. For this paper, at least, the term is used with the connotation that "perestroika" had in the former Soviet Union — a reorganization that replaces central planning, control, and supervision with a deregulated, decentralized system in which only the "bottom line" counts (Cistone, 1989). In education, the bottom line is achieving objectives, especially academic objectives.[1]

In practice, educational restructuring is associated with such notions as school-based management, school-site management, school-based budgeting, and local management of schools.

All of these involve the delegation of authority and responsibility from central authorities to the school site. The center may remain concerned about the ends for education, but those at the school site are responsible for the means of education and for demonstrating their success at achieving goals set both locally and centrally. Restructuring, then, refers to a devolved form of educational management.

Five Examples

National systems of education in the United Kingdom and New Zealand have adopted the types of restructuring of interest here, as have state systems in Australia, and local systems in the United States and Canada (Caldwell, 1990). In at least one U.S. case, that of Chicago, the local reform was imposed by the state (Hess, 1991).

New Zealand

The New Zealand reforms have been perhaps the most far-reaching. Each public or integrated school there now has a governing board composed primarily of noneducators; each school has its own charter describing its mission within a national framework; school boards have been abolished at the elementary level (they did not exist at the secondary level), with their business administrative functions being privatized; consultant and curriculum staff formerly with the department of education have been transferred to faculties of education from which they will "sell" their services to schools; and the supervisory staff has been reduced in number and reconstituted as a relatively small auditing agency whose sole responsibility is to ensure that schools live up to their charters.

New Zealand's reforms were implemented beginning, for the most part, in October 1989, so they are still in their infancy. Published reports and interviews conducted in May 1990 suggest that, at least in urban centers, schools and principals are coping quite well, although cases of school council-principal-staff antagonism are reported.

Rural schools have found it hard to attract teachers, in part because there is no longer a central staffing agency (a job the national department of education has done) and in part because teachers no longer see a career line that includes rural "tours of duty" that lead, later, to attractive assignments in urban centers or with the department of education.

Even though salaries are still negotiated nationally and teachers are paid by the national government (full allocation of funds to schools has been delayed for technical reasons), in effect the teacher market has been deregulated. The former "internal" labor market of the department has ceased to exist.

Accompanying other reforms is a relaxation of practices for organizing new schools. Rather like in the Netherlands, the parents of any group of 21 children can now form a school in New Zealand (Lange, 1988). The primary purpose of this legislation apparently is to enable Maori communities to withdraw from the public schools and to form their own (elementary) schools.

The reforms in New Zealand have been controversial, to say the least. Critics, especially from university faculties of education, see the whole process as one of de facto privatization that will promote and solidify inequalities within New Zealand society. They point to the Department of Treasury as the home to neo-conservative ideologies drawn from economists such as Milton Friedman of the so-called Chicago School of Economics. Nevertheless, many of these same critics recognize that their own earlier critiques of the education bureaucracy, in which they emphasized the failure of the system to reduce educational inequities, were influential in under-

"In practice, educational restructuring is associated with such notions as school-based management, school-site management, school-based budgeting, and local management of schools."

[1] Part of the material in this paper was presented under the title "Restructuring Education: An International Perspective" at the Annual Meeting of the Association of School Business Officials (ASBO) International, Toronto, October 15-18, 1990.

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mining the legitimacy of the educational system (Capper, 1989).

United Kingdom

The Education Reform Act of 1988 of Margaret Thatcher's conservative government in the United Kingdom reflected many parallels with New Zealand reforms that were adopted a year later. The U.K.'s main initiatives included, as in New Zealand, the election of school-level councils and the implementation of local management of schools (LMS). In addition, however, the reform mandated, for the first time, the development of a national curriculum, a curriculum that is to apply to private as well as public schools (using these terms in the North American meaning).

Normally, government schools would still be operated by their local education authorities (LEAs), which are committees of their county and municipal governments. Yet if the governing bodies of these schools were dissatisfied with the policies and practices of their LEAs, they would have the right to opt out of their system and operate as independent schools, collecting grants from the local and national governments directly.

Although the Reform Act did not privatize the administrative portions of the local education authorities, LEAs must now "sell" their services to schools, who are free to purchase building maintenance, psychological services, and so forth, on the open market. The funds for these and other services are being allocated to the school level and are used to "buy back" services; if schools do not choose the LEA to provide services, then the central agencies will lack the revenue to support their staff.

Obviously, the money is not "funny money" as is used in many organizations to provide "shadow pricing" of items charged back to another unit as a way of stimulating a market environment. The money can be spent outside the system, so it is real.

Australia

Australian state governments have, without exception, moved toward some form of devolution to the school level; in some cases a form of school-based budgeting is just being introduced, as in New South Wales and Western Australia. In others, such as Victoria, school-based management is a decade old and, indeed, the pendulum is swinging the other way.

Still, the typical Victorian school has a school council with both teachers and community members; the teachers have a majority of members at the elementary level but a minority at the secondary level. On the other hand the school council has significant input in the selection of principals, providing a short list of approved candidates to the Ministry of Education, which employs all teachers and principals in the public system. The council is also responsible for the plant and grounds, hiring cleaners and custodians, groundkeepers, and so forth. School councils have undertaken initiatives to raise funds for new buildings.

"Australian state governments have, without exception, moved toward some form of devolution to the school level."

On the other hand, the state salary schedule and the control of the ministry over teacher appointments means that neither councils nor principals may have much say about who teaches in a school. As was formerly the case in New Zealand, the state of Victoria retains an internal labor market for teachers, with individuals first assigned to less preferred locations and later "rising" to more attractive ones. This centralized system is defended as a major instrument for ensuring equity among schools in the state.

The education pendulum in Victoria is now swinging back to centralization in some ways. Regional school boards, created less than a decade ago, have been abolished, although regional administrative and service units have been retained. More important, the Labour government's introduction of a new curriculum at the secondary level, meant to "destream" the system, is being done with centralized authority. Technical and academic schools are being merged, sometimes against their wills, since there will be no place for such distinct schools under the new, district-uniform curriculum.

Having just finished eliminating much of the bureaucracy and allocating responsibility to the school level, it is not without irony that the same government is now rebuilding the ministry in order to ensure that the government's policies are implemented in spite of considerable resistance from many sectors.

Canada

In Canada, only the province of Quebec has moved strongly toward school-based management. Quebec requires school-level advisory councils, and each school must have its own statement of philosophy. These requirements are relatively weak, given the province's strong central control over curriculum and funding and the existence of locally elected school boards for Catholics (dominantly French) and Protestants (dominantly English). Recent changes to education acts in British Columbia and Alberta permit, but do not mandate, school-level councils.

A few local initiatives, in contrast, have been notable, particularly Michael Strembitsky's efforts in the Edmonton Public School System (Brown, 1989). With trustee support, Strembitsky has implemented an administrative form of school-based management that turns over many staffing and budgeting decisions to the school. His experiences have been the subject of research, and his own role as an advocate of school-based management has made him and his school system well known in the United Kingdom, the U.S., Canada, Australia and New Zealand. Indeed, Edmonton's

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efforts have sometimes been cited in support of initiatives elsewhere, even though Strembitsky's plan is solely administrative, in contrast to reforms elsewhere that have generally included a political dimension — the requirement of elected school councils.

United States

In the United States, restructuring of school systems in Dade County, FL; Rochester, NY; and recently Chicago are widely cited. The first two are local initiatives notable for the extensive involvement and cooperation among the school boards, their administrators, and teacher unions. Both have a strong element of teacher empowerment (also evident in Victoria, Australia, at the elementary level), somewhat in contrast to reforms in Britain and New Zealand that emphasize lay control at the school level.

Lay control also seems to be a centerpiece of reform in Chicago, where state-mandated reforms included the election of school-level councils with a majority of parents and the allocation of some budgetary authority to the school level. Fiscal responsibility for teachers' salaries haa been retained centrally, so only 30 percent of the budget is expendable at the school level.

Finally, school-based management is part of the recent legislation reorganizing Kentucky's state system of education. Its plan was adopted in response to the court's decision that the state's school finance plan (and entire school system) did not meet obligations set by the state's constitution.

The examples of reform from five nations demonstrate widespread restructuring that includes devolution from the center to the school. In each case, of course, the nature of the "center" is unique and must be taken into account in assessing different approaches. In some cases, education is a national enterprise; in others, it is state or provincial; and yet in others, it is primarily local. Differences in funding systems and the roles of unions can also affect devolution proposals.

"The examples of reform from five nations demonstrate widespread restructuring that includes devolution from the center to the school."

Implications of Restructuring

Quite clearly, the implications of restructuring of the types described in this paper may be profound — or they may be trivial. A rough summary of the extent of decentralization found in the five sites studied is given in Figure 1.

For each of the program areas indicated, the degree of delegation of responsibility to the school level is assessed as being high, medium, or low. Since the study was exploratory in nature, systematic data were not collected; salient traits emerged as information was collected and information was not available for all dimensions in all systems. As well, the assessment of the degree of delegation is largely subjective.

To provide an overall index, high, medium, and low ratings were coded 3, 2, and 1, respectively; totals and means were calculated. The latter ranged from 2.4 for New Zealand to 1.3 for Rochester, NY — although in the last case (Rochester was the first system visited) considerable data is missing.

FIGURE 1
Decentralization of Responsibility to the School in Five Educational Systems

PROGRAM DELEGATED	*NEW ZEALAND*	*VICTORIA, AUSTRALIA*	*ENGLAND*	*EDMONTON, ALBERTA*	*ROCHESTER, NEW YORK*
Staffing	High	Low	High	High	Medium
Cleaning	High	High	High	Low	Low
Maintenance	Medium	Medium	Medium	Low	Low
Accounting	High	High	Medium	Medium	?
Curriculum	Medium	Low	Low	Medium	Medium
Psychiatric Services	High	Low	?	Medium	Low
Substitute Teachers	High	High	High	High	?
Personnel Development	High	High	High	High	?
Transportation	?	?	?	Low	?
Capital	Medium	Medium	Low	Low	Low
Utilities	High	High	High	?	?
Superannuation	Low	Low	Low	Low	Medium
Collective Bargaining	Low	Low	Low	Low	Medium
	29/12	21/12	20/11	18/11	8/6
Degree of Decentralization	**2.4**	**1.8**	**1.8**	**1.6**	**1.3**

The New Zealand approach results in almost a total debureaucratization of the school system. That is, no longer is the school simply a unit in a large bureaucracy; it becomes an independent agency in almost all regards. This does not mean, incidentally, that the school may not behave internally in a bureaucratic manner; it simply means that it is no longer bound by external constraints in the form of rules, standardized supply of services, and the like.

To date, models used elsewhere do not approach this level of decentralization and the North American models, in Edmonton and Rochester, appear to be much weaker in form than those adopted in the United Kingdom, New Zealand, and Australia. Ironically, those nations noted in the past for their strong socialist policies have introduced more marketlike environments for their schools than free-market oriented North America.

In comparing the different levels of decentralization, it is important to bear in mind the differing national structures for education. Figure 2 summarizes the numbers of levels of governance of education, the amount of responsibility at each of the levels, the scope and strength of teachers' unions and associations, and the amount of financing that comes from each level of governance.

It seems that more radical forms of decentralization have been introduced in those jurisdictions where national or state governments hold much of the authority in education, as was certainly true in the cases of New Zealand and Australia. In these cases, but also in the U.K., devolution in education was paralleled by government policies in other areas to devolve authority to others, as in the case of privatizing government-owned corporations.

All groups associated with the programs identified in Figure 1 may be affected by decentralization to the school. Teachers and principals may become more dependent upon the local community (as opposed to a government bureaucracy) for support. Cleaning, maintenance, and professional support staff (psychologists, social workers, curriculum consultants, accountants and so on) may become more dependent on school-level staff for their welfare and less so on a government bureaucracy. As well, school-level staff would be strongly affected by their own actions in regard to the uses of resources (utilities and supply teachers); they can capture the benefits of conservation, rather than have them captured by someone else.

Finance

The implications of restructuring for school finance will depend upon the nature of the overall changes and the mode by which education is currently financed. In North America, the impact will likely occur at three levels: state/province, school district, and school.

If a state or province mandates some form of school-based management, the state/province is likely to use the financial grant and legal systems to help promote the change. Options would range from the provision of fiscal incentives to encourage adoption of pilot programs to regulations or laws decreeing that a certain portion of each school's budget be in the hands of those at the school level. The former option has been followed in Washington state and the latter in Illinois with its restructuring of the Chicago school system.

A more extreme option exists:

FIGURE 2
Structure of Education in Five Nations

	New Zealand	*Australia*	*England*	*Canada*	*U.S.*
Number of Levels	2	3	3(4)	4	4
Legal Responsibility	National	State		Provincial	State
LEVEL OF RESPONSIBILITY FOR SCHOOL OPERATION					
National	High	Moderate	High	Low	Moderate
State/Provincial	N/A	High	N/A (Low)	Moderate	Moderate
Local	N/A	Low	Low	Moderate	High
School	High	Moderate	High	Low/Moderate	Low/Moderate
Teachers' Union	National	State	National	Prov./Local	Local
Strength	Moderate	High	Low	Moderate	Variable Low/High
FINANCING					
National	90-95%	5-10%	?	5%	5-10%
State/Provincial	N/A	80-90%	N/A	40-95%	30-100%
Local	N/A	N/A	?	0-100%	0-100%
School	5-10%	5-10%	5-10%	1%	1%

abolishing school boards and granting funds directly to schools. Such a choice was made in New Zealand, where the 10 regional school boards for elementary schools were eliminated and funds allocated directly to schools. The British reforms that allow schools to "opt out" of their LEAs reflects a similar choice, but of a voluntary nature.

"In addition to matters of accounting and revenue, schools with school-based management must also face the problem of becoming intelligent consumers."

Direct grants from the central government to schools probably has a centralizing effect on school finance. In New Zealand's case, finance was already centralized (except for school fees). In other cases, where a local tax base is used, such as in Britain, the central government decided to regulate the formula used to allocate funds from LEAs to schools.

When new plans for school-based management are introduced, central agencies (ministries, departments, or school district offices), faced with the problem of determining a funding formula, usually begin with historical allocations based on previous levels of funding. Formulae are then phased in over a number of years.

There are at least two reasons for using a phase-in period. First, central agencies often lack data on the full costs of schools. Many costs, such as those for utilities, maintenance, and the like, are traditionally paid out of central funds and no record is maintained of the amount applicable to individual sites. Accounting systems must be changed and data recorded over a period of time to establish baseline amounts before a funding formula can be developed. All of this takes time.

Second, once the data becomes available, it is invariably discovered that there is tremendous variation in costs among sites, even sites that on the surface seem quite similar. Sometimes careful analysis can uncover defensible factors that explain these differences and that merit inclusion in a funding formula. Other times, the variation seems to be explained only by the success that some principals have had at wresting supplementary funds from central offices.

Though perhaps unjustified, the resulting variations in service levels cannot be eliminated in one year without considerable dislocation; as a result, formula financing is phased in over several years.

School-Level Finance

The introduction of school-based management affects financial activities at the school level in many ways. The most obvious, and one that is a common topic for criticism, is the necessity of maintaining school accounts. In practice, this can be accomplished in many ways, of course.

In Victoria, Australia, where there is a long tradition of "clerkship" on the part of parents, a school council member will often spend a few hours per week posting all expenses to 22 program accounts required by the ministry. In New Zealand, individual schools let contracts for accounting services to the lowest bidder, be it a privatized school service agency, a private accountant, or the local municipality. In North America, it is probably most common for the central office to provide a distributed network of computers or terminals that allow school staff to maintain accounts that can be uploaded to the mainframe, and vice versa.

For schools that experience a loss of financing under school-based management, a search for additional funds may be undertaken. Indeed, one suspects that part of the agenda for restructuring school systems is to encourage schools to seek new resources. Requests to local businesses and volunteer agencies, fund raising programs, and the like may arise. In Australia and New Zealand, levies on parents (for operating purposes and for capital) are common. These funds supplement the base funding that is provided by central government agencies.

In addition to matters of accounting and revenue, schools with school-based management must also face the problem of becoming intelligent consumers. Depending on the extent of decentralization, schools may find that services that were formerly provided by central offices on a monopolistic basis, including psychological services, teacher in-service, consultant services, curriculum development, maintenance, and cleaning, can instead be purchased from other sources. In the New Zealand scheme, the introduction of "contestable," or competitive markets for these services is a key notion, so principals, teachers, other staff, and councillors, must develop or acquire the skills needed to negotiate contracts and evaluate goods and services from many vendors.

For those formerly in central offices, changes may be encountered that are more extreme than those encountered by those in schools. In New Zealand's case, consultants formerly with the ministry of education were reassigned to teachers' colleges. After a 2-year period of grace, they will be expected to "earn their keep" by selling services to schools, which are to be assigned the funds that formerly were paid to the consultants. Similar arrangements were made for business staff formerly with the regional school boards, except that they were assigned to freestanding, privatized

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organizations.

Competition is meant to help those schools, agencies, and service organizations that serve real needs — as defined by the users of the services — and to withdraw support from those who do not perform well or who provide services that go unappreciated. It is likely that successful agencies will increase in size and drive others out of business.

In Victoria, Australia, by way of example, school-based management has facilitated the closing of schools that government was unable to close (or unwilling to close) for political reasons. A loss of students entails program cuts and rising per pupil costs; eventually, school councils have asked for schools to be closed, a possibility they most surely would have been rejected had closure been mandated by a central authority. Similar situations will pertain to those organizations offering other services.

Ultimately, then, financial resources will flow to more effective organizations, help them to attain economies of scale, and lead to greater overall efficiency.

Conclusion

Traditional methods of financing school systems in North America, in which state and provincial grants supplement local tax funds, could be radically altered if more extreme forms of school-based management were adopted, as they have been in other nations, such as Australia, New Zealand, and the United Kingdom. In all likelihood, greater central control of financing would result even while more responsibility is allocated to schools.

This phenomenon of greater centralization accompanied by greater decentralization is viewed as a paradox by some, but it reflects the different interests of each level: central authority is primarily concerned about equity and goals, whereas school level authority focuses on achieving efficiency and effectiveness, and offering an educational program appropriate in content and process to the needs of the local community.❑

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Site-Based Management Goes Beyond Budgeting

By Dr. Harvey B. Polansky

There is nothing more aggravating to a principal than finding out that new carpeting is being installed in the building when he or she has spent the last three weeks attempting to come up with $4,750 for new biology textbooks.

In order to achieve building level priorities, a site-based management program should be explored. This popular management scheme can take into account the web of district-wide priorities and focus these initiatives at the building level. Since site-based management is related to student learning and student achievement, all administrators can play a strategic role in the introduction and implementation of such a program. However, the business administrator must be a key player in this scenario.

What is Site-Based Management?

Site-based management refers to the decentralization of decision making in three areas: budget, curriculum, and staffing. Site-based management allows principals, in consultation with staff and the community, to make decisions that clearly define priorities at the building level. It is a decentralized decision-making process made closest to the student.

According to a variety of research sources, site-based management:

- Provides the opportunity for individual school faculties to make decisions concerning curriculum, scheduling, personnel resources and budgeting;
- Improves work climate and job performance;
- Clearly defines roles of staff and administrators;
- Changes the role of staff and administrators; and
- Takes 5 to 10 years to implement.

What a Business Administrator Should Do

Business administrators must develop a more comprehensive view of the educational system. The literature indicates that shared decision making increases accountability and requires far greater training efforts. It is important that the business office is incorporated in the planning and implementation of instructional programs. Learn the lingo and the programmatic assessment criteria utilized in the instructional office.

Specific guidelines and proper procedures must be outlined. A key requirement in the implementation of this management program is to achieve total support from the district office. Business administrators play a significant role in the implementation of a site-based program. Make sure there is consensus among the budget office, the curriculum office and the school management office. Make sure that you reassure all parties involved that this will not disrupt normal school operations. Train principals in the utilization of a building level management team. Provide input and resources.

Site-Based Management: Beyond Budgeting

The development of a site-based management approach involves all tiers of administrative support and is important in the implementation of this program. In fact, the impetus for change must take place at the school level where grass roots approaches are interpreted. Principals must be encouraged to take district-wide objectives and adjust them to meet building-wide objectives. Therefore, the central administration must view the individual school as an operational and planning entity.

Business officials must become familiar with the non-budgetary nuances of site-based management. These include:

1. *Be involved in the development of a mission statement.* The direction and focus of any educational reform must be driven by a well-defined mission statement that takes into account the holistic educational agenda and provides clear direction for all staff. The business office can contribute significantly to the development of a mission statement. Each school, in turn, should develop a mission

statement consistent with the district's statement.

2. *Understand the instructional side.* Don't isolate your expertise. Gain a holistic view of curriculum development and personnel deployment. Work with the principals in obtaining these new skills. These new skills must include student performance criteria and new management training.

While budget, curriculum and staffing decisions are three areas most commonly decentralized under site-based management, school site management allows principals in consultation with teacher and community representatives the opportunity to better meet the needs of the students through input in these strategic areas. Business officials need to work with principals in learning the ins and outs of instructional decisions.

3. *Site-based management impacts student performance.* Research has indicated that site-based management and decentralized decision making are related to learning and student achievement. While the direct relationship is not clear, what is clear is that decisions made closest to the student will create an academic environment which is more relevant to the student.

Furthermore, since teachers have a significant say in what is being taught, teachers' self esteem is heightened and efficiency is increased. Conversely, relevant research indicates that standardization of curriculum decreases student performance. School site management breaks down standardizing and creates unique educational climates in each school.

It is also clear that autonomy increases performance. This management scheme improves communication among schools and heightens participation in the process. This is consistent with the Effective School Programs and most literature reflecting on successful school programs.

4. *Understand the curricular implications.* District-wide goals and objectives must be internalized at each school and tailored to meet the needs of the individual school's population. This places more accountability on the instructional staff.

Communication among central office personnel, school personnel and parents is crucial during the implementation of a successful school program. How do the students in a specific school setting learn? What physical and intangible environmental issues need to be corrected? How does the different delivery of instruction in each building continue to meet district-wide goals and objectives?

5. *Understand personnel decisions.* Under this management plan, school personnel will have access to personnel decisions. Business officials must work with instructional personnel in hiring staff that meets the needs of specific programs and specific schools. Understand what principals need, and understand site-specific personnel requirements.

Under site-based management, each school will have specific and different personnel needs. Lay out the financial considerations and let the principal decide on staffing needs. Monitor custodial and support personnel and make sure there is appropriate staffing levels. Remind principals that a clean environment is an important by-product of a successful school. But let them make the decision.

6. *Attend building committee meetings.* Any site-based plan involves the faculty at each school. Sit in on these meetings. Listen to their concerns. Involve yourself in areas that go beyond dollars and deliveries.

7. *Provide information.* Essential to any program is the gathering of appropriate data. Research, test scores and a history of previous site-based initiatives across the country must be collated for distribution. Once materials are assembled, it is important to "massage the data" as it relates to the students in the specific building. This includes the incorporation of assembled data into existing mission statements and district-wide goals.

8. *Provide the time and resources.* Curriculum work is time consuming. Provide the necessary release time or pay teachers to do curriculum work. Do not expect to get quality work for free. A sound program takes 5-10 years to fully implement.

Providing the necessary resources is crucial. From getting things duplicated to bringing in "experts" in the field, resource availability demonstrates commit-

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ment to this "new" approach.

Summary

All work must be done in concert with stated district-wide initiatives and goals. Objectives must be clearly defined as they relate to students at the specified site. These objectives must be congruent to the district's efforts; output and evaluations must demonstrate such accountability.

Site-based management is the cornerstone of educational reform. Yet, some principals feel threatened by such a program because they view collaboration as a loss of power. It is paramount to the success of this plan to spell out the roles of the district office, the teachers and the principals. Work cooperatively. Work toward district and building goals. Be prepared to make some mistakes and be prepared to talk about your program.

Site-based management will promote a much greater understanding of the needs of the students attending your school. It promotes greater control over how funds are allocated by department and grades, and offers administrators the opportunity to interact with staff on personnel decisions. It takes time and commitment. Clear delineation of roles within the district and within the school will go a long way in the development of a successful and collaborative educational program.❑

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